

IDOL Weippe Land Appraisal  
NW¼NE¼ of Section 36, T35N, R4E, Boise Meridian  
Weippe, Clearwater County, Idaho



Timberland Property Appraisal  
Summary Report  
As Of: 19 November, 2009

Prepared for:  
Idaho Department of Lands  
Perry Whittaker  
300 N 6<sup>th</sup> St Suite 103  
PO Box 83720  
Boise, ID 83720-0050

Prepared by:



828 S Washington, Suite D  
Moscow, ID 83843



December 14, 2009

Idaho Department of Lands  
Perry Whittaker  
300 N 6<sup>th</sup> St Suite 103  
PO Box 83720  
Boise, ID 83720-0050

RE: Timberland property appraisal presented in a Summary report of the 40 acres in the  
NW¼NE¼ of Section 36, Township 35N, Range 4E, BM, Clearwater County, Idaho

Dear Mr. Whittaker:

In fulfillment of my agreement as outlined in the Letter of Engagement, Gem Valley Appraisal Service is pleased to transmit my appraisal presented in a Summary Report format developing an opinion of the market value of the Fee Simple and Leased Fee estate in the above referenced real property as of 19 November, 2009, the last date Ruby Stroschein, MAI visited the property. The analysis is specifically based on the hypothetical condition the parcel has legal access. The opinion of value reported below is qualified by certain assumptions, limiting conditions, certifications, hypothetical conditions, and definitions, which are set forth in the report. You, Idaho Department of Lands and the resulting highest bidder, are the sole users of the report for purposes of determining fair market value for offering the property at public auction.

In order to carry out this assignment (scope of work), an inferred economic and marketability analysis in the vicinity of the subject property has been conducted. This investigation included an overview of how the social, economic, environmental, and government affects the regional Clearwater County real estate market and the Wieppe Prairie market. The collection and analysis of sales, offerings, and other developments which have occurred in the area in the recent past that appropriately reflect the regional and local market conditions conclusion have also been analyzed. The sources of this data include the Clearwater, Idaho and Latah County records, my own data bank, other real estate brokers and appraisers, data obtained from Potlatch Forest Products property manager, and knowledgeable individuals active in the area. Due to private or no access to the sale properties, several of the properties were viewed at a distance, or using aerial photography.

An on-site inspection was made by Ruby Stroschein, accompanied by Frankie Larson on November 19, 2009. We have interviewed Ben Baldwin, reviewed the timber cruise provided by IDOL, and consulted with Perry Whittaker in order to garner information used in this analysis.

This appraisal has been completed in accordance with (a) all Federal banking regulations (primarily OCC Regulation 12 CFR Part 34, FDIC Regulation 12 CFR Part 323 and Title XI of the Financial Institution Reform, Recovery Enforcement Act of 1989 ("FIRREA"), and (b) the Uniform Standards of Professional Appraisal Practices and Conduct ("USPAP") as promulgated by the Appraisal Standards Board of the Appraisal Foundation.

Market value, as used in this appraisal report, is defined by the Appraisal Foundation, as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Source: published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

The subject property is a 40 acre +/- tract of land. This tract is located immediately east of the end of Dairy Rd, with the Class 1 Jim Ford/Miles Creek bisecting the parcel, placing most of the site in a flood plain. The land contains 28 acres of timber and 12 acres of grass. A timber cruise was performed and provided to the appraised by the Idaho Department of Lands.

There is currently no legal access to the parcel, but the appraisal is analyzed under the hypothetical condition that legal access exists by way of a private access easement as of the effective date of this appraisal. This does not suppose the access is improved.

Based upon the investigation, the following Fee Simple market value has been concluded;

Condition	Effective Date	Value
<b>Fee Simple 40 Acres</b>	<b>19 November, 2009</b>	<b>\$60,000</b>

The opinions of value stated above, as well as every other element of this appraisal, are qualified in their entirety by the Contingent and Limiting Conditions set forth in another part of this report and which is an integral part of the appraisal.

The appraiser(s) certify and agree that:

1. The appraiser has no present or contemplated interest in the property appraised and that neither the employment to make this appraisal nor the compensation for it is contingent upon the appraised value of the property.
2. The appraiser has no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
3. Ruby Stroschein, MAI has personally inspected the subject property. Comparable sales either had no legal access or were inaccessible at the time of this analysis. Sale 1 was previewed earlier by the appraiser. Sales 3, 5 and 7 were viewed from the road at the nearest access point. All sales were analyzed via aerial photography.
4. According to the best of my knowledge and belief, all statements and information in this report are true and correct; and the appraiser(s) have not knowingly withheld any information.
5. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
6. The analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
7. I certify that to the best of my knowledge and belief, the reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

8. As of the date of this report, Ruby Stroschein has completed the requirements of the continuing education program of the Appraisal Institute.
9. No one provided significant professional assistance to the person signing this report Ruby Stroschein, MAI has prepared all conclusions and opinions concerning the real estate that are set forth in the appraisal.
10. My compensation for completing this assignment was not contingent upon the development of reporting of a predetermined value or direction of value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or occurrence of a subsequent event directly related to the intended use of this appraisal.
11. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
12. Based on my experience, it is my opinion that I meet the qualifications to provide the following estimation of the subject property's value.
13. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

No changes of any item of the appraisal report shall be made by anyone other than the appraiser, and the appraiser shall have no responsibility for any such unauthorized changes. This letter of transmittal and the pages that follow constitute my report, including the data and analyses utilized in forming an opinion of value. Should you have any questions concerning this report, please do not hesitate to call my office.

Respectfully submitted,



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Ruby Miles Stroschein, MAI  
Gem Valley Appraisal Service  
ID: CGA-175 Exp. 4/18/2010  
WA: CGA – 1100422 Exp. 4/18/2011

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## INTRODUCTION

### **SUMMARY OF SALIENT FACTS AND CONCLUSIONS**

Summary of Salient Facts and Conclusions		
<b>Client:</b>	Idaho Department of Lands Perry Whittaker 300 N 6 <sup>th</sup> St Suite 103 PO Box 83720 Boise, ID 83720-0050	
<b>Property Owner:</b>	Idaho Department of Lands	
<b>Intended User:</b>	Idaho Department of Lands and resulting " <i>High Bidder</i> " at auction	
<b>Brief Legal Description:</b>	NWNE Section 36, T35N, R4E BM, Clearwater County, Idaho. Full Legal Description included in the report	
<b>Effective Date of Appraisal:</b>	19 November, 2009	
<b>Property Rights Appraised:</b>	Fee Simple	
<b>Date of Property Inspection:</b>	19 November, 2009	
<b>Date of the Report:</b>	14 December, 2009	
<b>Classification of Report and Appraisal:</b>	Timberland property appraisal presented in a Summary report	
<b>Land Size:</b>	40 Acres	
<b>Improvements:</b>	None	
<b>Highest and Best Use as Vacant:</b>	Wildlife Habitat and Recreation	
<b>Highest and Best Use as Improved:</b>	Not Analyzed (timber cruise considered in H&B as Vacant)	
<b>Exposure period:</b>	8-12 Months	
<b>Marketing period:</b>	< 12 Months	
<b>Scope of the Report:</b>	No	Cost Approach
	Yes	Sales Comparison Approach
	No	Income Approach



## **Valuation Summary:**

### MARKET VALUE CONCLUSIONS

Value – As Is	Value
Land Value – Fee Simple 40 Acres	\$60,000.00

## **EFFECTIVE DATE OF THE APPRAISAL/DATE OF THE REPORT**

The subject property has been inspected on 19 November, 2009. The date of the report is 14 December, 2009.

## **PURPOSE OF THE APPRAISAL**

The purpose of this appraisal is to provide a market value opinion of the Fee Simple estate of 40 acres under the hypothetical condition legal access exists via private access easement.

Hypothetical access is based on an unidentified ¼ mile private unimproved ingress and egress easement that meets the required test of feasibility. This does not assume a hypothetical improved access road exists or a hypothetical legal access for crossing a Class I Stream to facilitate timber harvest exists.

## **INTENDED USE OF THE APPRAISAL**

The intended use of this appraisal is to estimate the market value of the subject property and will be used for collateral evaluation purposes in anticipation of selling the land.

## **INTENDED USERS OF THE APPRAISAL**

The intended user of this appraisal is the Idaho Department of Lands and the resulting “high bidder” at auction. No one else may rely on this analysis, nor may the intended users use this analysis for any other purpose than the intended use stated in this report.

## **MARKET VALUE DEFINED**

Market value, as used in this appraisal report, is published by the federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- (1) Buyer and seller are typically motivated;

- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;
- (3) A reasonable time is allowed for exposure in the open market;
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

### **PROPERTY INTERESTS APPRAISED**

Fee Simple

### **PROPERTY IDENTIFICATION**

No Tax Parcel – State Land	40 Acres
----------------------------	----------

The property has not been listed for sale or sold in the prior three years.

### **REAL ESTATE TAX INFORMATION**

Parcel ID	Total Acres	Assessed Value	Last Appraisal Date	2009 RE Taxes
NA	40 Acres	NA	NA	NA

Note: Real Estate Tax Information is not applicable. The subject property is owned by the state of Idaho.

### **SCOPE OF THE APPRAISAL**

In determining the market value of the subject, the following approaches were utilized:

Cost Approach	No
Sales Comparison Approach	Yes
Income Approach	No

As a part of the valuation process, the appraiser inspected the subject and surrounding properties, the neighborhood and the comparables. The highest and best uses were analyzed and determined for the subject as vacant.

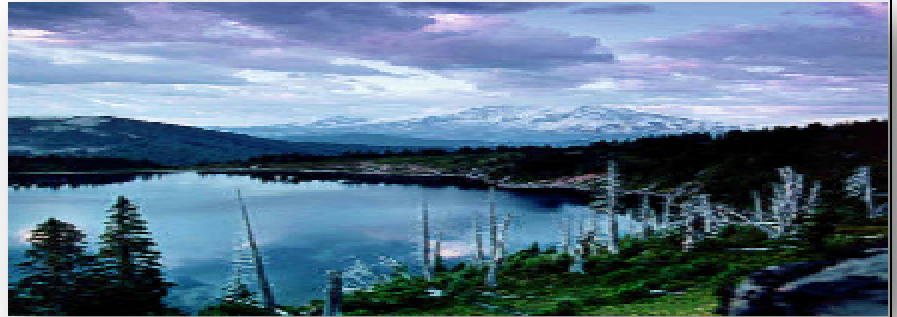
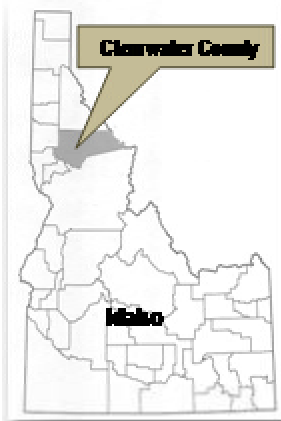
A search for comparable land sales was made based upon, but not limited to the following search criteria: 1) similarly located land within the general area with similar timber production capacity, similar access, topography, proximity to population and service centers, and development potential. 2) Date of sale within the past 24 months and 3) Similar potential use. The most comparable sales were then selected from those transactions which met these criteria.

The Sales Comparison Approach relies heavily upon the principle of substitution. Recent sales of similar properties are gathered, and a meaningful unit of comparison is developed. Then, a comparative analysis between the sales and the subject involves consideration for differences in sales concessions, time, terms of sale, and physical characteristics. The reliability of the Sales Comparison Approach depends, to a large extent, upon the degree of comparability between the sales and the subject. The major strengths of this approach include the reflection of actual market transactions and the fact that common denominators are fairly easily determined. The potential weaknesses of this approach arise from the fact that the data is historical and ideal comparables are usually very difficult to obtain.

The Income Approach to value is predicated upon the relationship between income and value. Although all of the appraisal principles are involved in this approach, the principle of anticipation is particularly applicable. This appraisal technique does convert anticipated annual net income into an indication of value. This process is called capitalization, and it involves multiplying the annual net income by a factor or dividing it by a rate that weighs such considerations as risk, time, return on investment, and return of investment. The appropriateness of this rate or factor is critical, and there are a number of techniques by which it may be developed. The net income attributable to the subject property is estimated by subtracting vacancy, collection losses, and expenses from the property's annual potential gross income. All of these figures are derived from market comparison of properties similar to the subject. The reliability of the Income Approach depends upon the reliability of income and expense estimates, the duration of the net annual income, the capitalization rate or factor used, and the method of capitalization. The weakness of this approach lies in the estimation of income and expenses and the fact that not all properties are suitable for this approach. The strength of this approach is its reflection of typical investor considerations as they analyze income-producing properties.

Within this analysis only the sales comparison approach to value was used.

## Regional Market Analysis



### ***Market Area Description***



**LOCATION** – Named after the Clearwater River, Clearwater County covers 2,488 square miles of Northern Idaho in the “*Idaho Panhandle*”. The State of Montana borders to the east, Shoshone County to the north, Latah County and Nez Perce to the west, and Lewis and Idaho Counties to the south. Clearwater is the twenty-eighth most populated county in Idaho, and

ranks tenth largest in land area, with fifty-five percent of the county in Federally-owned forests. Dworshak Dam, the third highest dam in the U.S., is located in the County on the North Fork of the Clearwater River, creating the Dworshack Reservoir, which has the Dent Suspension Bridge on it, connecting Elk River with Orofino, an award winning steel structure with a 1,050 ft Main Span.

**HISTORY** – Prior to settlement by European descendants, the region was used as a winter hunting grounds by the Nez Perce Tribe. In September of 1805 the Lewis & Clark Expedition encountered the Nez Perce people as the expedition party traveled across the Weippe Prairie near Pierce

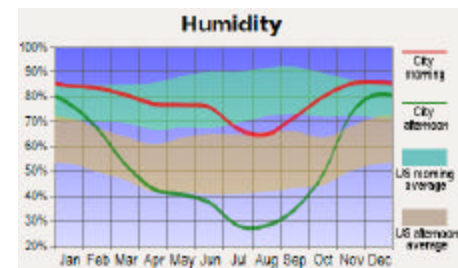
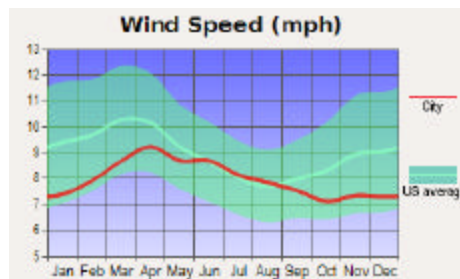
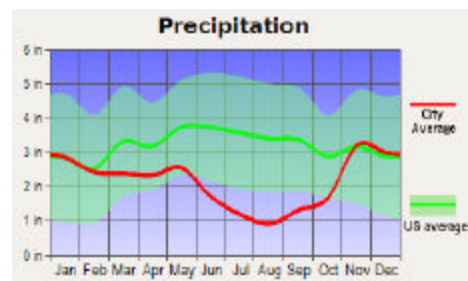
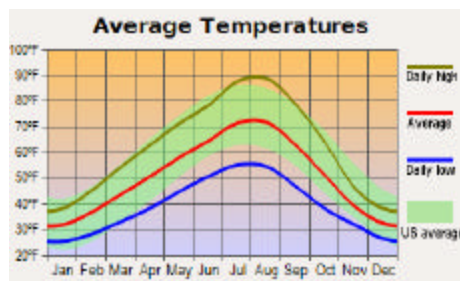


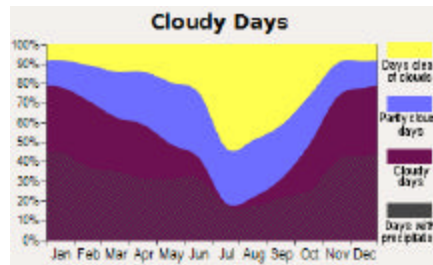
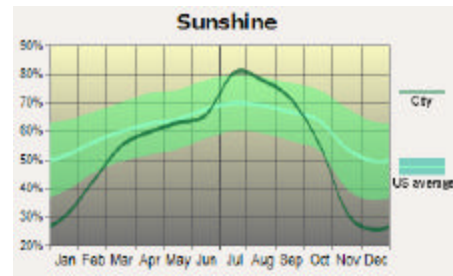
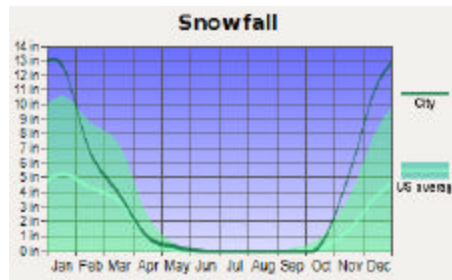
Idaho. In 1848 the Clearwater area became part of the Oregon Territory, and in 1855 the western portion was attached to the Nez Perce Reservation as part of the Walla Walla Treaty. At the discovery of gold by Captain Elias D. Pierce and Wilbur F. Bassett in 1860, the gold mining settlements of Pierce and one mile up the trail Oro Fino ("fine gold"), were

established –the first Euro-American settlements in Idaho. The 1860 gold rush created a brief spurt of growth that rapidly grew the area, but within five years the gold and the population had diminished, and the settlement of Oro Fino had been destroyed by fire. Growth in the area remained dormant until the rise of the timber industry in the late 1800's and early 1900's, concurrent with the coming of the railroads. In 1863 the Idaho Territory was formed with its capital at Lewiston (named so in honor of Meriwether Lewis who had explored the region 58 years before), and the next year moved to Boise in the southern portion of the territory. The town of Orofino, named in honor of the former mining town of Oro Fino, was established 33 miles to the west of Pierce in 1898. Idaho became a US state in 1890, Clearwater county was formed in 1911, and Orofino, the County's largest town, became the county seat.

**LAND FORM** – Sitting within the western-most slopes of the U.S. Rocky Mountains and spreading onto the great Columbia Plateau at its western boundaries, Clearwater County Idaho is mostly forested mountain ridges divided by deep canyons and long river valleys. The County's connection to the outside world is mostly achieved by traveling west onto the plains and hillsides of the Plateau. Three quarters of Clearwater County is high "back country" ranging from 2,250 feet above sea-level to over 7,475 feet.

**CLIMATE** – Overall January is the coldest month of the year with an average temperature of 29 degrees Fahrenheit, December sees the most precipitation, and the July is both the warmest and the driest month with an average temperature of 73 degrees Fahrenheit.



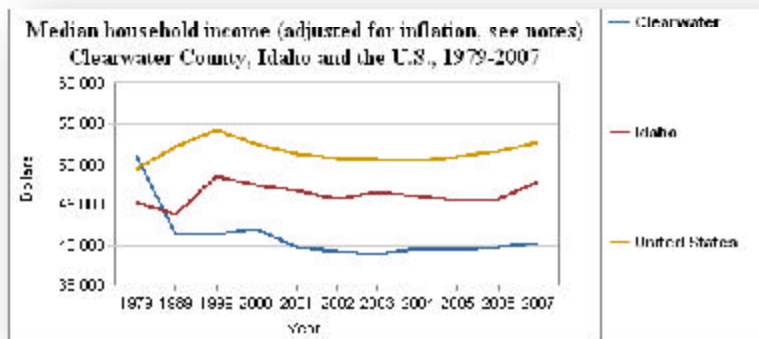


Source: 2009 City-Data.com

**INCOME – Median household income** is the level of income at which half the population has lower incomes and half has higher incomes. Here, we provide information on real median household income, which means the data have been adjusted for inflation.

In Clearwater County median household income (adjusted for inflation) . . .

- was \$40,274 in 2007, \$41,446 in 1999, and \$41,541 in 1989;
- ranked 31<sup>st</sup> – from highest to lowest – out of the 44 counties in 2007.



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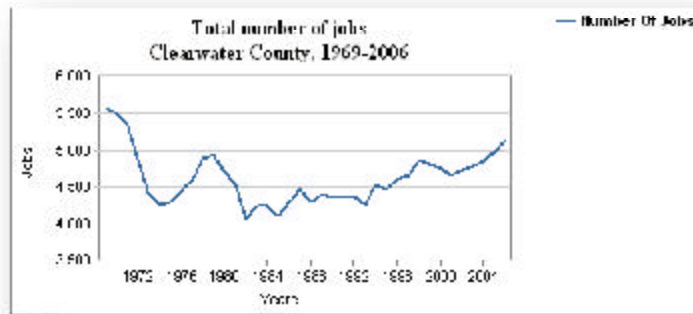
**Note:** The Consumer Price Index (CPI) is a measure of inflation. Here we adjusted dollar values by the CPI-U, which is the most commonly used CPI. Using the CPI to put dollar values in "real" terms makes it easier to see "inflation-free" change over time. Our base year is 2008, which means all dollar values are in terms of 2008 dollars. For more information, see (<http://www.bls.gov/cpi/home.htm>.) **Source:** 1979: U.S. Bureau of the Census, Census of Population and Housing, USA Counties 1998, (<http://censtats.census.gov/cgi-bin/usac/usasel.pl>); 1989 and 1999: U.S. Bureau of the Census, Census of Population and Housing, American Factfinder, (<http://factfinder.census.gov/>); 2000-2007: U.S. Bureau of the Census, Small Area Income and Poverty Estimates, (<http://www.census.gov/hhes/www/saie/county.html>); DATE LAST UPDATED: January 20, 2009

**EMPLOYMENT TRENDS** – The **number of jobs** includes private and public, full-time and part-time, and self-employment as well as wage and salary employment.



In Clearwater County, the number of jobs:

- was 5,138 in 2006, compared to 5,565 in 1969.
- decreased by 8 percent between 1969 and 2006, compared to an increase of 190 percent in Idaho.
- decreased by 14 percent in the 1970s, decreased by 8 percent in the 1980s, and increased by 9 percent in the 1990s.
- ranked 29<sup>th</sup> – from most to least – among the 44 counties in 2006.



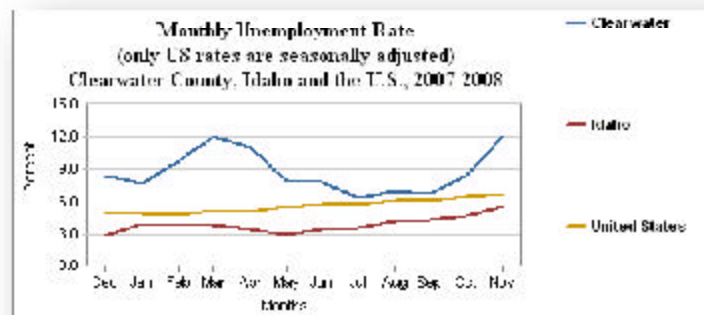
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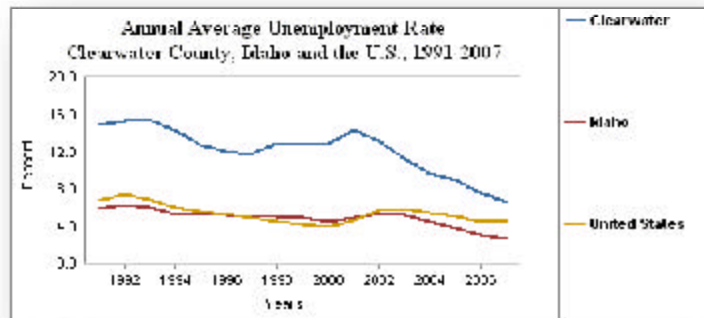
Source: 1969-2006: Bureau of Economic Analysis, Regional Economic Data, Local Area Personal Income, Table CA25, (<http://www.bea.gov/bea/regional/reis/>); DATE LAST UPDATED: April 24, 2008

**UNEMPLOYMENT** – People are counted as **unemployed** if they are at least 16 years old, are without a job and available for work, and have recently made specific efforts to find employment. The **unemployment rate** is the number of unemployed as a percent of the entire labor force. Clearwater County's **monthly unemployment rate** was 12.0 percent in November, 2008. This compares to 5.5 percent in Idaho as a whole.

Clearwater County's **average annual unemployment rate** in 2007:

- was 6.6 percent compared to 2.7 for Idaho
- was less than the previous year's rate of 7.6 percent.
- ranked 1<sup>st</sup> – from highest to lowest – out of Idaho's 44 counties.





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**Note:** Monthly data for counties and states are not seasonally adjusted. The Bureau of Labor Statistics often revises previous estimates. Data are adjusted accordingly on this website.

**Source:** 1991-2008: Bureau of Labor Statistics, Local Area Unemployment Statistics, Labor Force Data by County, (<http://stats.bls.gov/lau/home.htm>); DATE LAST UPDATED: January 7, 2009

## POPULATION TRENDS –

Clearwater County Population						
	1970	1980	1990	2004	2007	
	10,871	10,390	8,505	8,373	8,231	

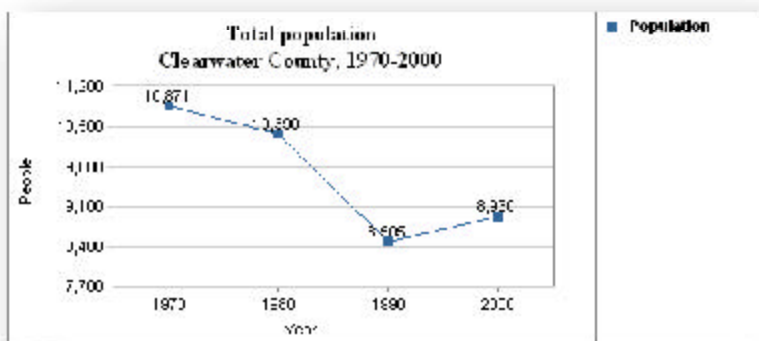
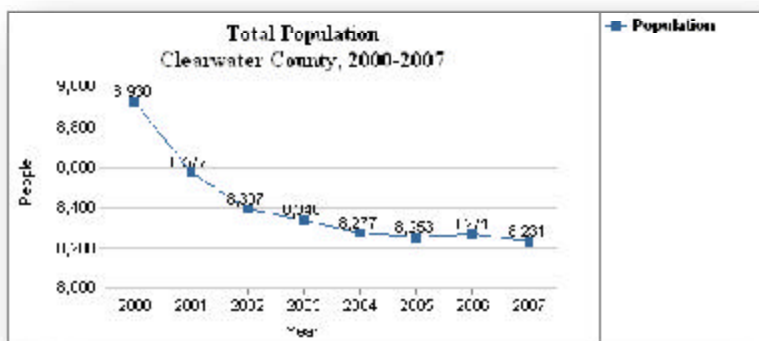
Source: 2009 Idaho Department of Commerce & Labor

## Population Decline

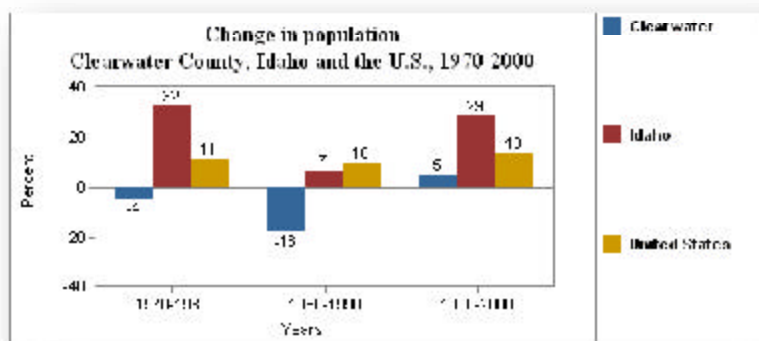
Clearwater County:

- had a population of 8,231 in 2007.
- lost 699 residents between 2000 and 2007.
- decreased by 7.8 percent between 2000 and 2007, compared to an increase of 15.9 percent in Idaho as a whole.
- had a rate of population change that ranked 41<sup>st</sup> – from highest to lowest – out of the 44 counties reporting data.
- lost 2,640 residents since 1970





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**Note:** 2001-2006 estimates were revised per the Census Bureau's updates when the 2007 data were released.

**Source:** 1970 & 1980: U.S. Bureau of the Census, County Population Census Counts,

(<http://www.census.gov/population/www/censusdata/cencounts.html>);

1990 & 2000: U.S. Bureau of the Census, American Factfinder, (<http://factfinder.census.gov/>);

2001-2007: U.S. Bureau of the Census, Population Estimates Program, (<http://www.census.gov/popest/counties/>); DATE LAST UPDATED: March 26, 2008

## Age Structure

In Clearwater County:

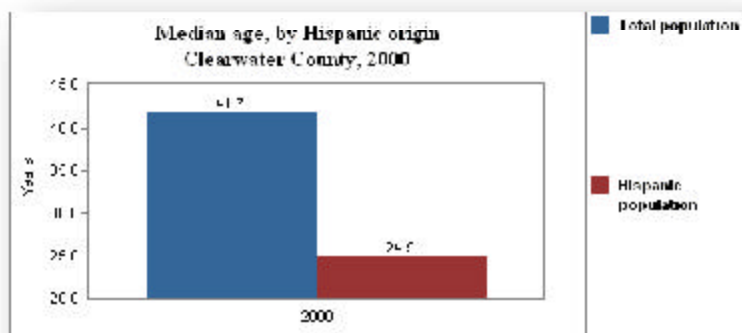
- 18.0 percent of the population was under 18 in 2007, compared to 27.2 percent in Idaho
- 61.5 percent of the population was 18 to 64 years old in 2007, compared to 61.1 percent in Idaho
- 20.5 percent of the population was 65 or older in 2007, compared to 11.7 percent in Idaho

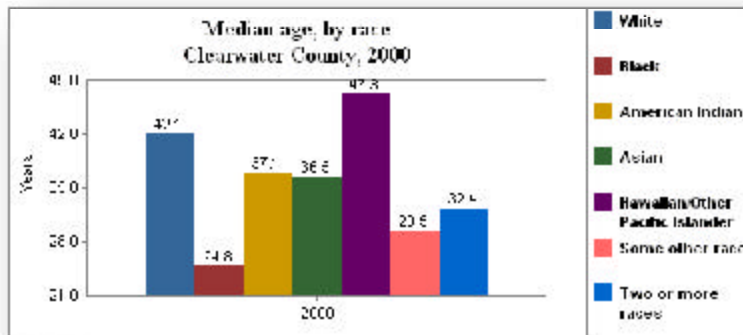
The dependency ratio measures the portion of people who are of non-working age (those under age 18 and those 65 and over) compared to those of working age. We add the number of people under the age of 18 to the number of people aged 65 and older and divide by the number of people aged 18-64. As the dependency ratio increases, there is a growing number of 'dependents' that must be supported by the working population.

**Median age** is the age at which half the population is younger and half is older. A lower median age indicates a relatively younger population, while a higher median age indicates a relatively older population.

The median age in 2000 in Clearwater County:

- was 41.7 years for the total population;
- was 24.9 years for the Hispanic population;
- was 42.1 years for the white population;
- was 24.8 years for the black population;
- was 37.1 years for the Native American population;
- was 36.5 years for the Asian population;
- was 47.3 years for the Native Hawaiian and other Pacific Islander population;
- was 29.5 years for those of some other race;
- and was 32.4 years for those of two or more races.





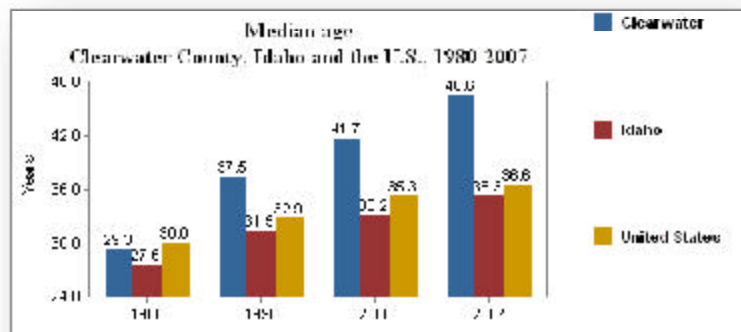
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Source: 2000: U.S. Bureau of the Census, Census of Population and Housing, (<http://factfinder.census.gov>); DATE LAST

UPDATED: September 1, 2006

The median age in Clearwater County:

- was 46.6 in 2007, compared to 41.7 in 2000, 37.5 in 1990 and 29.3 in 1980;
- was 46.6 in 2007 compared to 35.3 in Idaho;
- ranked 1<sup>st</sup> – from highest to lowest – out of Idaho's 44 counties in 2007.



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Source: 1980 and 1990: U.S. Bureau of the Census, Census of Population and Housing, USA Counties 1998, (<http://censtats.census.gov/cgi-bin/usac/usasel.pl>);

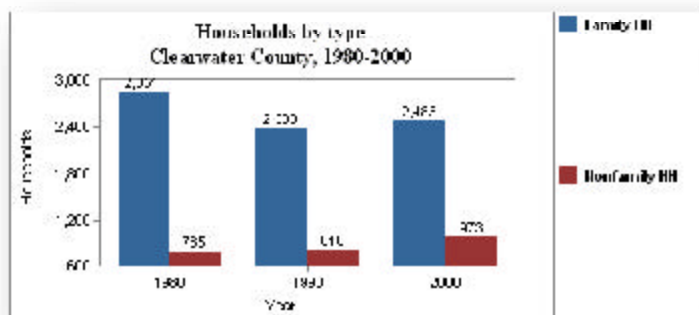
2000: U.S. Bureau of the Census, Census of Population and Housing, (<http://factfinder.census.gov>);

2006: U.S. Bureau of the Census, County Population Estimates – Characteristics, April 1, 2000, through July 1, 2006, (<http://www.census.gov/popest/datasets.html>); DATE LAST UPDATED: September 10<sup>th</sup>, 2007

**Households:** A **household** is a person or group of people who occupy a housing unit. The householder is a person in whose name the housing unit is owned, being bought, or rented. A **family household** consists of the householder and one or more people related to the householder. It may also include people unrelated to the householder. A **nonfamily household** consists of a person living alone or a householder who shares the home with nonrelatives only.

In Clearwater County:

- family households made up 71.8 percent of the total in 2000, compared to 71.5 percent in Idaho.
- since 1980, family households have decreased as a proportion of the total.
- single women with children made up 4.7 percent of all households in 2000, compared to 5.8 percent in Idaho.
- adults age 65 or older who lived alone made up 10.0 percent of the total in 2000, compared to 8.3 percent in Idaho.

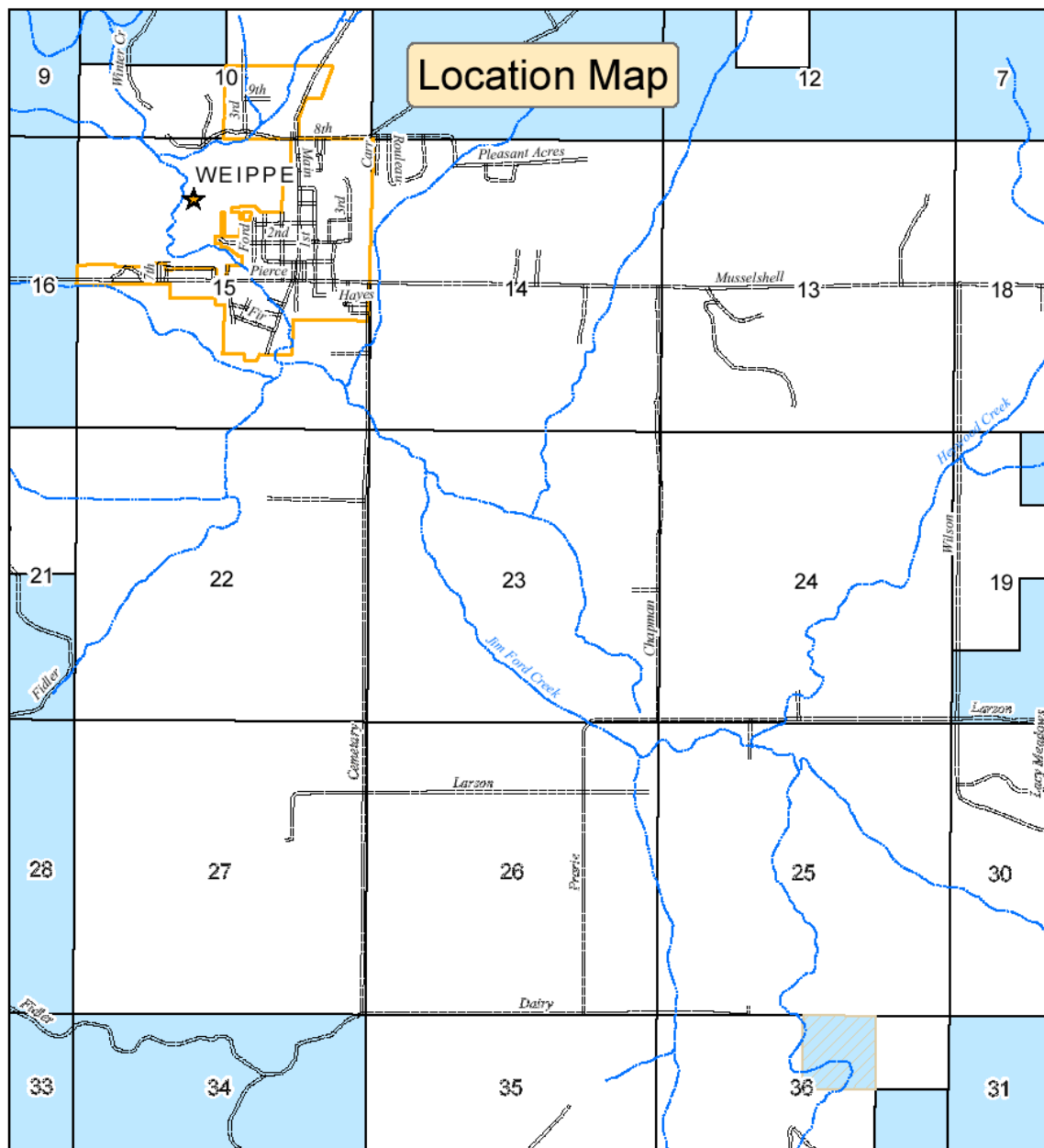


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**Note:** HH= Households. **Source:** 1980: U.S. Bureau of the Census, *Census of Population and Housing, USA Counties 1998*, (<http://censtats.census.gov/cgi-bin/usac/usasel.pl>);

1990 and 2000: U.S. Bureau of the Census, *Census of Population and Housing*, (<http://factfinder.census.gov>); DATE LAST UPDATED : July 16, 2002

Site Analysis:	
<b>Location:</b>	South of Weippe, Clearwater County, Idaho
<b>Assessor's Parcel Number:</b>	Not identified – state land
<b>Land Area:</b>	40 Acres
<b>Shape:</b>	Square
<b>Access:</b>	The subject property is accessed via SR 11 from US 12 at Greer Grade 7 miles southeasterly of Orofino, Idaho, then east from the top of Greer Grade about 8 miles to Weippe, then south on Cemetery Road, then east on Dairy Road to the east end of Dairy Road to a hypothetical ¼ mile private access easement to the subject parcel.
<b>Adjacent Properties:</b>	The property is surrounded by private land owned by Frankie Larson.
<b>Flood Plain:</b>	According to Flood Insurance Rate Maps, published by the Federal Emergency Management Agency, all except the southeast corner of the subject site is located in a flood hazard area. (Map No. 1600461045B, dated 05/15/1980)
<b>Drainage:</b>	Drainage is into Miles Creek, which becomes Jim Ford Creek, which drains to the Clearwater River, a major tributary in the Snake River Drainage Basin.
<b>Easements/Encumbrances:</b>	Miles Creek is a Class 1 Stream, which means there are many things not permissible on the parts of the site near the stream. Applicable to the proposed use of logging is that there can be no logging within 25' of the riverbank, and between 25' and 75' only 25% of the shade-providing trees can be logged. Also, the requirements for a bridge over the stream would mean a logging-truck grade crossing would cost about \$11,700, according to Ben Baldwin of the Idaho Department of Lands. (208-935-2141)
<b>Zoning/Restrictions:</b>	Forestry 1
<b>Environmental Considerations:</b>	Issues resulting from Class I Stream, wetlands designations, navigational or shorelines, and compliance with are potential environmental regulation issues that require review and potential effects on land management and use.







## Location Map



1 inch = 2,400 feet

### Legend

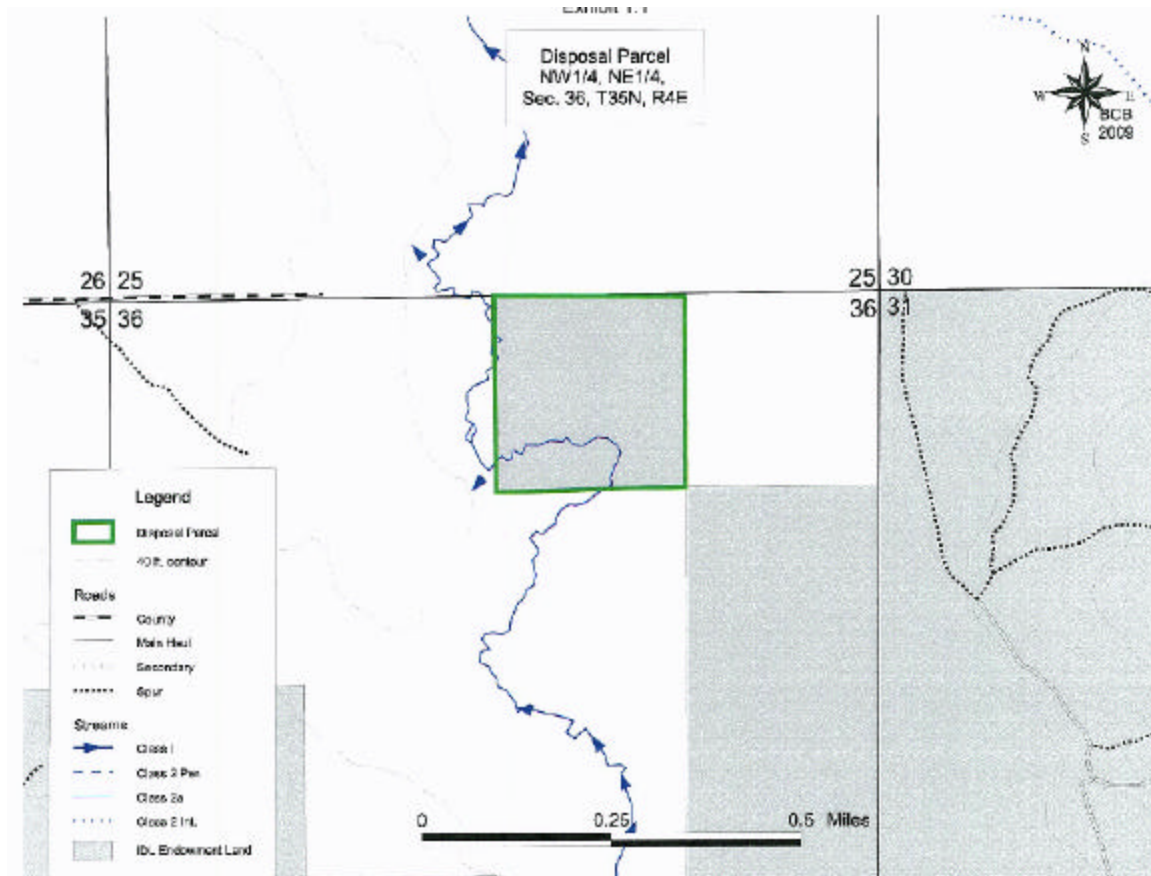
-  Subject Property
-  Weippe City Limits
-  Private Lands
-  State Lands
-  Rivers & Streams
-  Clearwater Roads

NW1/4NE1/4 Section 36  
T35N, R4E, Boise Meridian  
Clearwater County, Idaho

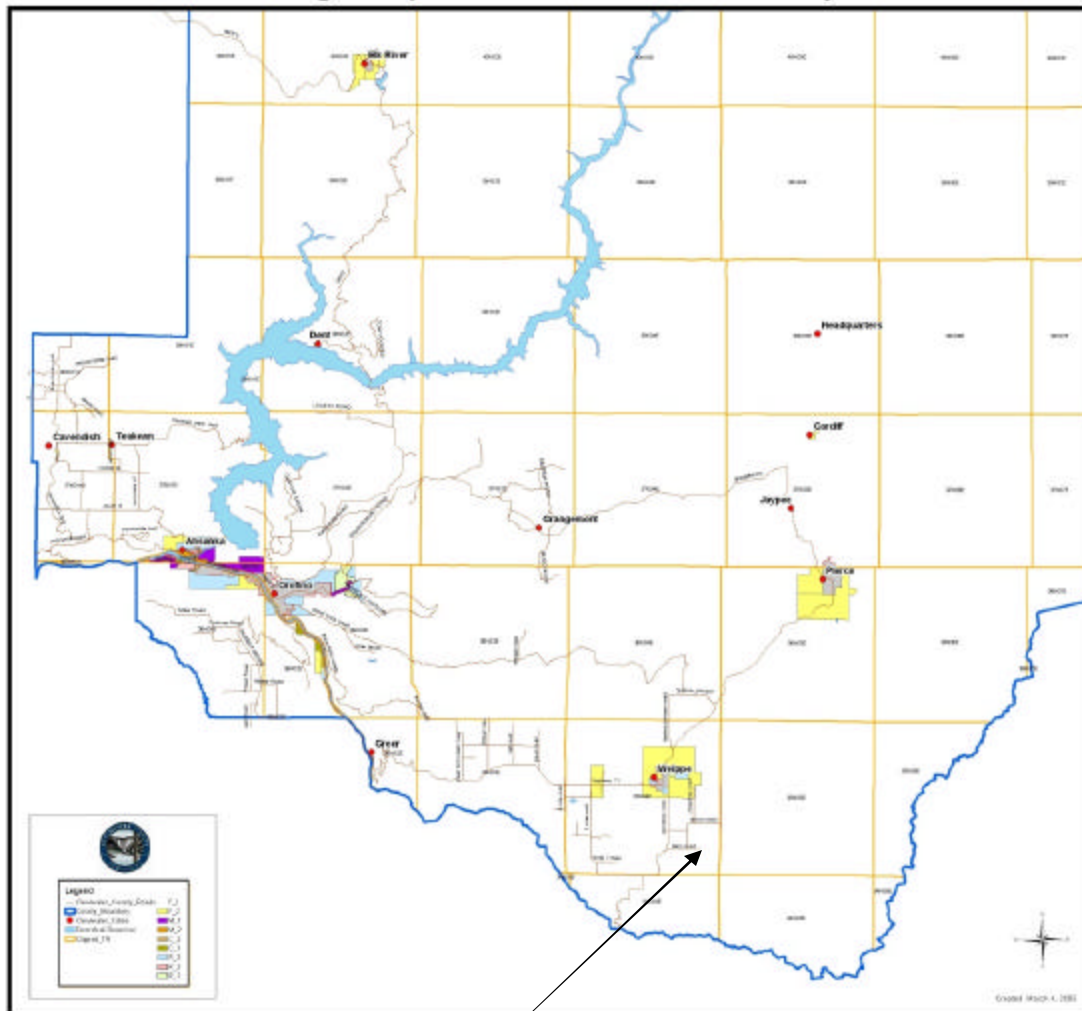
### **Property Description:**

#### **Legal Description:**

The Northwest Quarter of the Northeast Quarter, Section 36, Township 35 North, Range 4 East, Clearwater County, Idaho

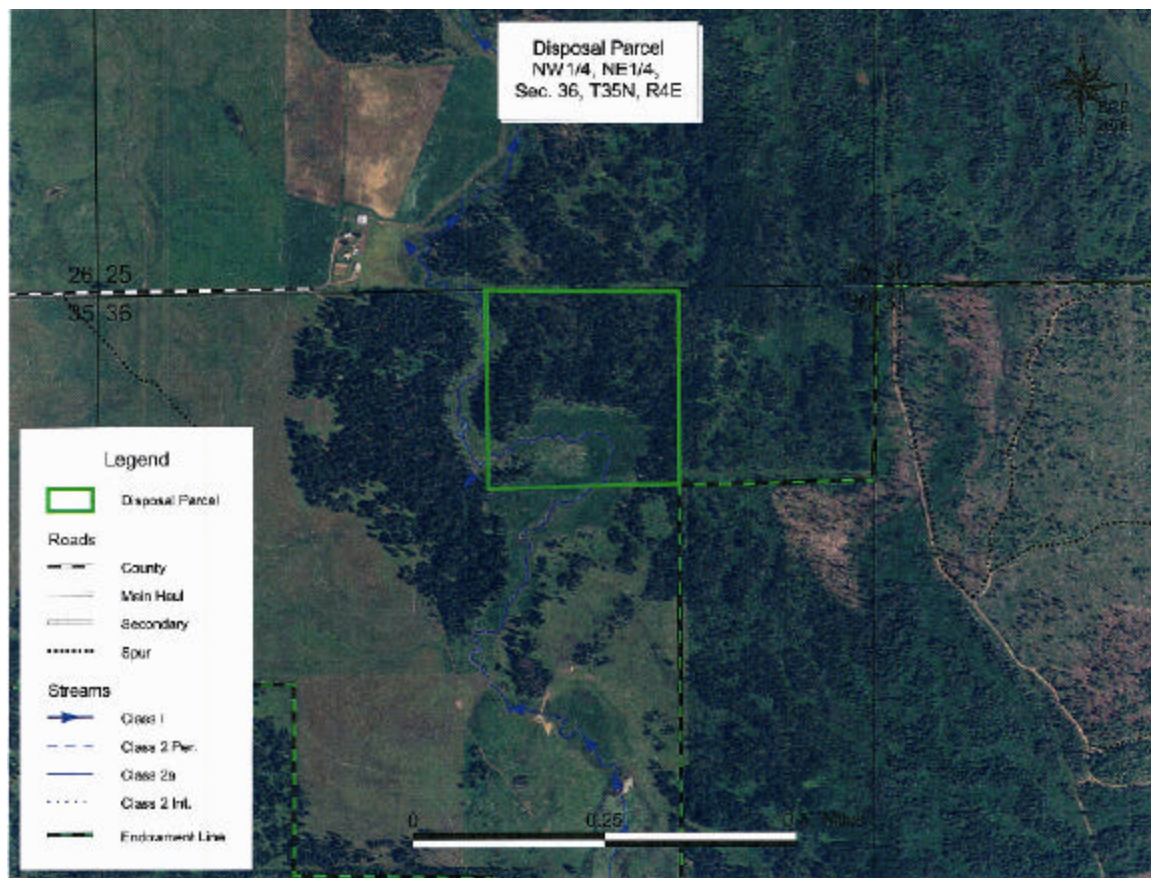


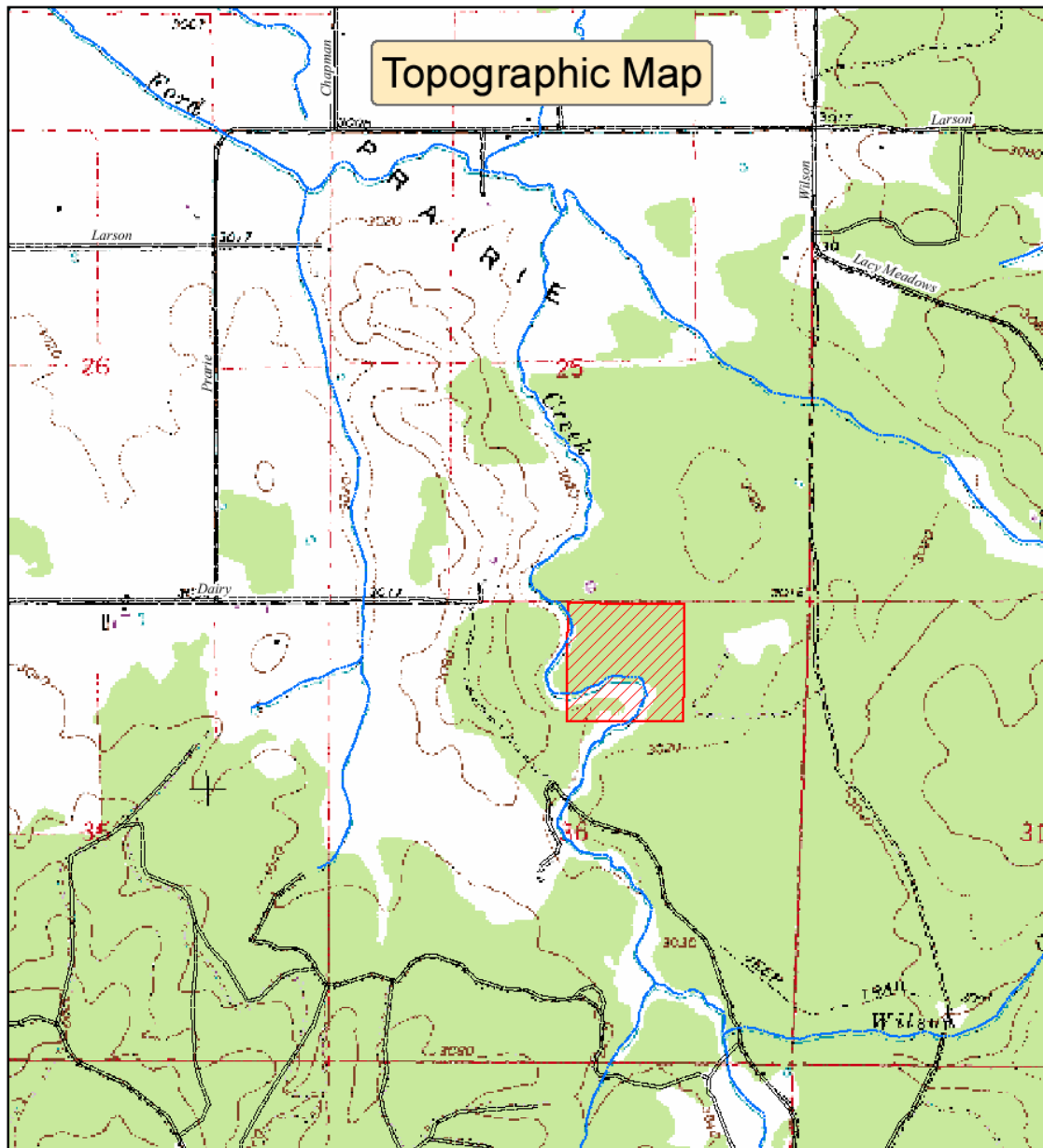
## Zoning Map of Clearwater County



**Subject**







N  
1 inch = 1,500 feet

#### Legend

- Subject Property
- Rivers & Streams
- Clearwater Roads

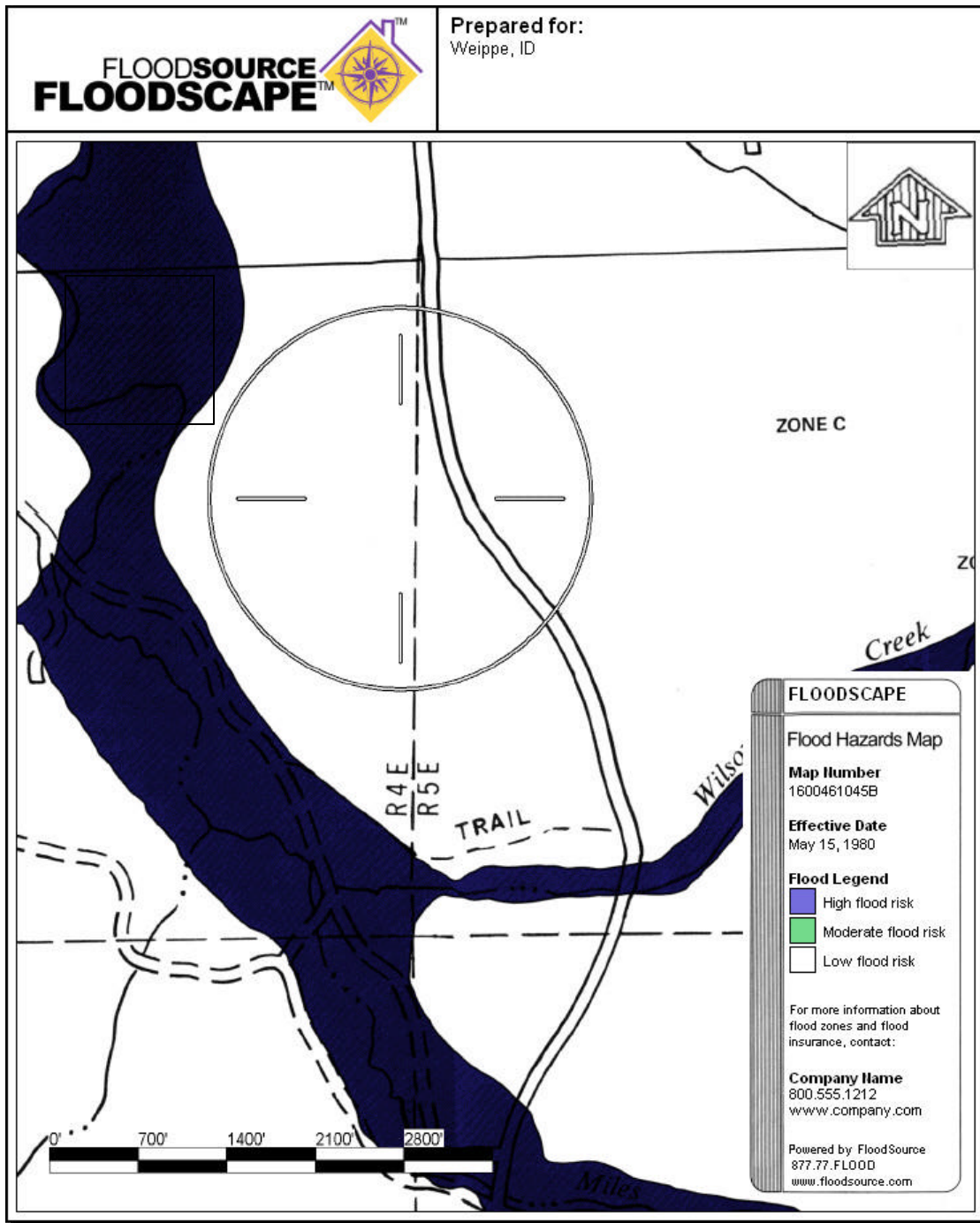
NW1/4NE1/4 Section 36  
T35N, R4E, Boise Meridian  
Clearwater County, Idaho

Community Name: CLEARWATER CO \*  
Flood Zone: 100-Year  
Census Tract: 16035-9701.00-1

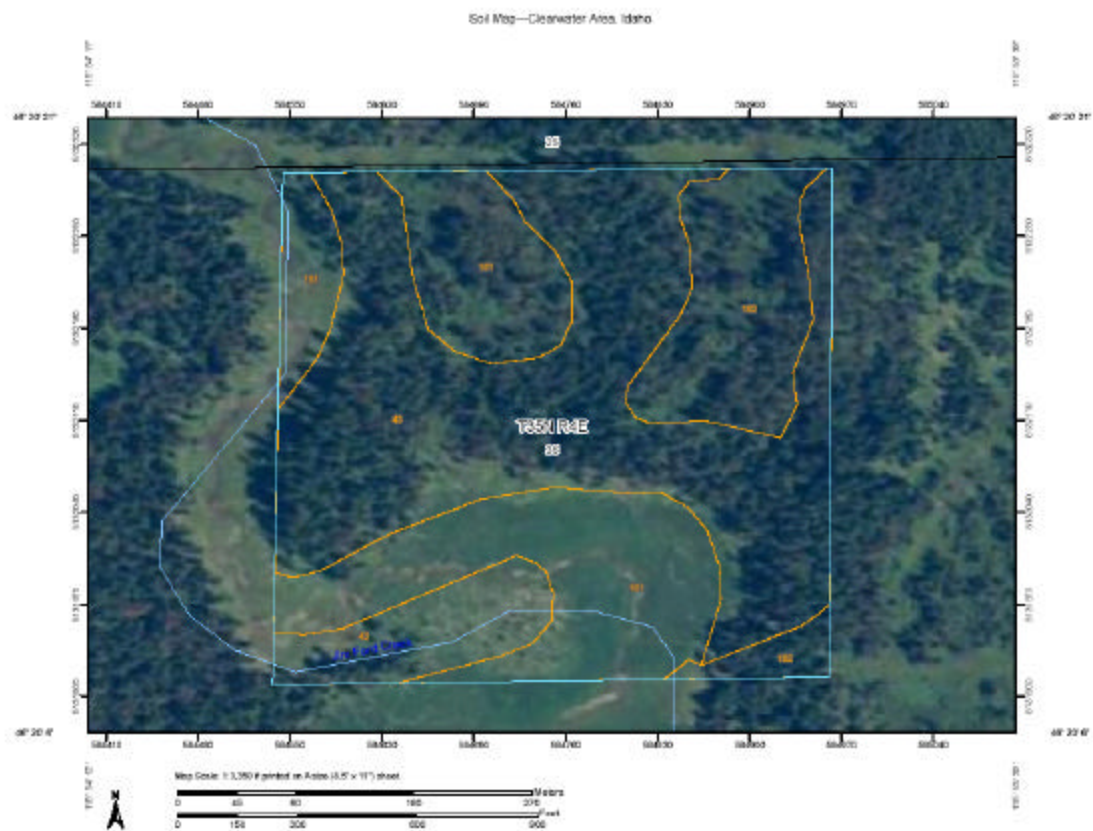
Community #: 0046  
County: Clearwater  
MSA: N/A

Map Number: 1600461045B  
Flood Risk: High

Map Date: 05/15/1980



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## Map Unit Legend

Clearwater Area, Idaho (ID612)			
Map Unit Symbol	Map Unit Name	Acres in AOI	Percent of AOI
43	Burntcreek ashy loam, 0 to 3 percent slopes	22.3	55.2%
161	Lewhand-Burntcreek complex, 0 to 2 percent slopes	12.4	30.7%
162	Lewhand-Teneb complex, 0 to 2 percent slopes	5.7	14.1%
Totals for Area of Interest		40.4	100.0%



## Clearwater Area, Idaho

### 43—Burntcreek ashy loam, 0 to 3 percent slopes

#### Map Unit Setting

*Elevation:* 3,000 to 3,350 feet  
*Mean annual precipitation:* 30 to 40 inches  
*Mean annual air temperature:* 38 to 44 degrees F  
*Frost-free period:* 50 to 110 days

#### Map Unit Composition

*Burntcreek and similar soils:* 80 percent  
*Minor components:* 3 percent

#### Description of Burntcreek

##### Setting

*Landform:* Drainageways, flood plains  
*Down-slope shape:* Linear  
*Across-slope shape:* Linear  
*Parent material:* Mixed alluvium

##### Properties and qualities

*Slope:* 0 to 3 percent  
*Depth to restrictive feature:* More than 80 inches  
*Drainage class:* Somewhat poorly drained  
*Capacity of the most limiting layer to transmit water (Ksat):* Moderately high to high (0.57 to 1.98 in/hr)  
*Depth to water table:* About 7 to 19 inches  
*Frequency of flooding:* Occasional  
*Frequency of ponding:* None  
*Available water capacity:* Moderate (about 8.3 inches)

##### Interpretive groups

*Land capability (nonirrigated):* 4w  
*Ecological site:* SEMIWET MEADOW (R009XY019ID)  
*Other vegetative classification:* grand fir/queencup beadlily (CN520)

##### Typical profile

*0 to 7 inches:* Ashy loam  
*7 to 11 inches:* Loam  
*11 to 28 inches:* Loam  
*28 to 36 inches:* Loam  
*36 to 60 inches:* Stratified very gravelly sandy clay loam to coarse sand

#### Minor Components

##### Aquandic endoaquepts

*Percent of map unit:* 3 percent  
*Landform:* Drainageways

---

## Land Use Zoning

ZONING ANALYSIS	
<b>District:</b>	Forestry 1
<b>Conforming:</b>	Yes
<b>Applicable Permitted Uses:</b>	See preceding page
<b>Current Zoning Legend</b>	Forestry 1 According to Bobbi Kaufman, Clearwater Planning and Zoning, any parcel less than 20 acres, regardless of zoning, required Clearwater County approval.
WATER RIGHTS ANALYSIS – IDAHO DEPARTMENT OF WATER RESOURCES	
<b>Water Right No.:</b>	None Decreed
<b>Source:</b>	NA
<b>Tributary:</b>	NA
<b>Priority Date:</b>	NA
<b>Basis:</b>	NA
<b>Status:</b>	NA
<b>Beneficial Use:</b>	NA
<b>Diversion Rate:</b>	NA
<b>Diversion Rate:</b>	NA
<b>Location of Points of Diversion and Place of Use:</b>	NA
<b>Condition of Approval:</b>	NA

**MINERAL RIGHTS ANALYSIS – NO EXCEPTIONS NOTED**

## Forestry 1 Zone:

**SECTION 404. LOW DENSITY RURAL DISTRICT (F-1)** – The Low Density Rural district shall be established to preserve and protect the diminishing supply of agricultural, horticultural, and silvicultural land. This district shall also serve to control the infiltration of

**Continued...**

urban development into agricultural areas which would adversely affect agricultural operators.

1. The following uses and their accessory uses shall be permitted outright:
  - a. Farming
  - b. Forestry
  - c. Single-Family Dwelling
  - d. Two-Family Dwelling
  - e. Road Construction
  - f. Camps for management of logging operations
  - g. Mobile Home
  - h. Non-commercial Recreational Facilities
  - i. Airport Approach Zone
2. All other uses and their accessory uses, except uses prohibited in Section 403, shall be Conditional Uses permitted when authorized in accordance with Article VI.
3. Lots located within a Low Density Rural District shall meet the following minimum dimensional requirements:
  - a. The minimum lot depth shall be two hundred fifty (250) feet;
  - b. The minimum lot width shall be two hundred fifty (250) feet;
  - c. The minimum lot area in an F-1 District shall be five (5) acres.
4. In the F-1 District, the required setbacks for all buildings shall be fifty (50) feet from the centerline of a road, thirty (30) feet from the front property line if not abutting a road, and twenty (20) feet from the side and rear property lines.
5. Signage shall be permitted provided the following conditions are met:
  - a. One name plate sign of not more than two and one-half (2 ½) square feet in area shall be permitted for each dwelling unit;
  - b. One temporary sign of not more than six (6) square feet shall be permitted for the purpose of advertising the sale, lease, or rental of the property on which the sign is located;
  - c. One temporary sign of not more than forty-eight (48) square feet in area shall be permitted for the purpose of advertising the sale of a tract of land or of lots within a subdivision;
  - d. One temporary sign of not more than thirty-two (32) square feet in area shall be permitted for the purpose of advertising the sale of farm products;
  - e. One sign of not more than twenty-five (25) square feet in area shall be permitted for the purpose of identifying a conditional use. Upon termination of said conditional use, the sign shall be immediately discontinued;
  - f. All signs shall be set back from the property line at least two (2) feet, and shall not obstruct the vision of persons entering any roadway.

### **Improvement Description**

Other than perimeter fencing, there are no improvements on this parcel of land.

Timber Cruise dated October 7, 2009 is included in the addendum



## Subject Photos






Dairy Road – at private gate access point. Facing West






Standing on Larson ground at the southwest corner. Trees are on the right foreground are located on the subject parcel. Facing northeasterly.






Interior

	<p>Standing on Larson Land, west of the subject, facing north. Subject is to the right of the fence.</p>
	<p>Northwest marker of the subject property, lying north of the northwest corner fence line</p>
	<p>Standing at the northwest corner of the property, facing east. Larson land to the left of the fence, subject to the right</p>

		<p>Standing near the northwest corner of the property, facing west across Larson land. The true NW corner of the subject is north of the fence.</p>
		<p>Interior Photo</p>
		<p>Interior Photo</p>



		<p>Interior Photo</p>
		<p>Standing at the edge of the trees on the subject facing across the meadow to the southeast.</p>
		<p>Standing centrally at the north edge of the meadow, facing westerly.</p>

### **Summary and Conclusion:**

Access to the property is via SR 11 to Weippe, a two-lane state highway, to south on Cemetery Road, a paved and gravel county road approximately 2.5 miles to Dairy Road then east approximately 1.5 miles to the subject hypothetical access point, a private gate that is locked. Hypothetical access is based on an unidentified ¼ mile private unimproved ingress and egress easement that meets the required test of feasibility. This does not assume a hypothetical improved access road exists or a hypothetical legal access for crossing a Class I Stream to facilitate timber harvest exists.

Elevations greater than 3,000 feet create long winters which inhibit vehicle access off major highways and roads and negative conditions for wildlife habitat; however soils create moderate ash soils for timber growth in this area. Topography is mainly a low drainage area with level ground sloping toward Miles Creek bed. There is drainage into Miles Creek with potential boggy low-lying areas. There is good timber growth of Douglas Fir, Grand Fir, and Lodge Pole Pine, however timber harvest requires access across class I stream bed.

Electricity and telephone are ¼ from the property. There are no improved access roads.

Essentially all of the land lay in the 100-year floodplain. Building in flood plains is prohibited. Additionally, septic systems are required to be over 200 feet from streams and rivers. These issues are outside the scope of this appraisal assignment, but would have to be addressed prior to marketing properties for small acreage home site development. Floodplains significantly impact potential development areas on this parcel.

One Class I streams bisects the subject parcel and impedes access from the west. There are no recorded water rights associated with the subject parcel. Water rights for the Snake River drainage have been adjudicated. Filing livestock water rights appear to be a significant issue relative to the subject parcel, though no current applications exist.

### **Overview of Timber Land**

The merchantable sawtimber species are typical of the region. Timbered acres total 28 acres. Species include Douglas fir, grand fir, lodge pole pine, and mixed conifers. Based on an official timber cruise completed in October 2009, the estimated net acre stands of sawtimber total 322.1 gross volume of MBF plus 138.4 of pulp. After deducting for Miles Creek SRBA Class I Stream impact, adjusted net volume is 285.2 MBF Sawlog and 122.5 MBF Pulp. Gross MBF/Acre average is 11.5 (using 28 acres of timber) and 7.1 MBF/Acre total average.

The USDA Soil Survey classifies haul roads and landings for this parcel as moderate. Stream beds and stream canopy are an issue on this parcel and have been considered in the cruise performed

by IDOL however requirements for crossing the stream bed have not been considered. Kamiah IDOL Office stated they had made the assumption the haul would occur from the southeast corner onto their adjoining property. Reforestation regulations would apply. Issues not fully evaluated were fuel fire load, thinning issues, and long-term sustainability of the timber land for wildlife habitat.

This analysis assumes an approved crossing over Miles Creek will have to be achieved, or compensation for using the existing Class I Stream compliant crossing. It is common practice to pay a \$/mbf fee to the adjoining land owner to cross the burdened parcel in order to log a property. The agreement generally states the access road will be returned to a condition similar or better than originally found, or closed if that is the desire of the adjoining land owner. Cost range is from \$3-10/mbf. Cost to build road spur is estimated at \$4,632. Estimated net value of the timber is \$11,627.14\*. This assumes the cost of building a road will offset with compensation to the burdened land owner to access the property, questioning the feasibility of harvesting the timber from this parcel.

\*Using Jul 2, 2009 minimum stumpage prices

## **HIGHEST AND BEST USE ANALYSIS**

Four criteria are examined in order to determine the highest and best use of the subject property. The criteria and their applicability to the subject, both “as vacant” and “as improved” are as follows:

**Legally Permissible:** a legally permissible use is determined primarily by current zoning regulations. However, other considerations such as long-term leases, deed restrictions, and environmental regulations may preclude some possible highest and best use.

**Physically Possible:** the size, shape and topography affect the uses to which land may be developed. The utility of a parcel is dependent on its frontage and depth. Sites with irregular shapes may be more expensive to develop, and topography or subsoil conditions may make utilization too costly or restrictive. Highest and best use as improved also depends on physical characteristics such as condition and utility.

**Financially Feasible:** the use of the property is analyzed to make a determination as to the likelihood that the property is capable of producing a return which is greater than the combined income needed to satisfy operation expenses, debt service, and capital amortization. Any use that is expected to produce a positive return is classified as financially feasible.

**Maximally Productive:** the use that provides the highest rate of return among financially feasible uses is the highest and best use. The use of the land must yield a profitable net return, and the quantity of land devoted to any specific use must be limited to that quantity which will yield a maximum return to each owner.

### **Highest and Best as Vacant**

Highest and Best Use is defined as that reasonable and probable use that supports the highest present value, as defined, as of the effective date of the appraisal. Alternatively, that use, from among reasonably probable and legally alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value.

The subject is situated on the Weippe range above the Clearwater River. The property is southeast of Weippe, Idaho in an area of timber production predominantly owned by Potlatch Forest Holdings, the State of Idaho, and Clearwater National Forest. While there is minimal private land ownership in the general area, the lots surrounding Weippe are mostly private, framed by state land and private land along the open cropland areas along the canyon rim. The subject parcel is surrounded by private land except to the SE corner, which is state land (corners and subject and does not allow for access). Within this region Potlatch Forest Holdings has a major market influence. Potlatch Corporation has recently restructured as a REIT, Potlatch

Forest Holdings, Inc. and is currently liquidating substantial amounts of acreage in this region, dividing larger parcels into 20-acre small acreage home sites and selling them. Additionally, they are providing private access easements to expand their marketing capabilities. Any potential demand for small acreage parcels in this market has been met by a large supply of Potlatch land for sale. Recreational and livestock developmental forces are less relevant to this area. Rural home site development has a stronger influence where year-round county maintained access exists, particularly in areas with open vistas. Rural home site and recreation land development parcels currently compete in this market. These properties experienced a demand downturn in 2008 with some recent increase in sales according to Potlatch real estate managers Bill Davis and Bob Borgen.

Four criteria are examined in order to determine the highest and best use of the subject property. The criteria and their applicability to the subject, "as vacant" are set forth as follows:

**Legally Permissible:** a legally permissible use is determined primarily by current zoning regulations. However, other considerations such as long-term leases, deed restrictions, and environmental regulations may preclude some possible highest and best use. The subject is located in a Forestry zone, consistent with the current use of the land. Clearwater County Planning and zoning requires parcels less than 20 acres in size apply for land division approval. Minimum lot size for development within this zone is 5 acres. Due to the fact that nearly the entire subject site is located in a flood zone and code restrictions require building footprint to be built out of the flood zone, this is not a suitable development site. Timber harvesting requires compliance with Idaho Forest Practices Act (FPA). Idaho Forest Practices Act may apply if there are not enough small trees left for the site to be considered forested or being regenerated by suitable natural regeneration methods with appropriate seed trees. Livestock grazing requires compliance with riparian habitat water quality and application for livestock water rights with IDWR.

**Physically Possible:** the size, shape and topography affect the uses to which land may be developed. Relative to alternative use analysis by dividing the site to capitalize on a rural home site development, property development is limited by several factors. These include preclusion of building in a flood zone, lack of public access limits ability to finance development, lack of utilities. Topography and subsoil conditions do not appear to be restrictive factors for home site development out of the flood zone. Year-round access is a primary consideration as well as proximity to major arterials. While difficult, year-round access to the site and access to primary arterial roadways is reasonably acceptable, though ALTA title policy may be an issue relative to public access.

The property is located in a good rainfall area, however is in a slightly shorter growing season and higher elevation. Soil quality, terrain, location, and climate are the primary physical conditions that affect or restrict the uses and have been considered in concluding those uses which are physically possible. Douglas Fir, Grand Fir, and Lodge Pole Pine are highly



productive in this region with 25-30 MBF per acre in a 50-55 year growing season, which is considered good, however this is more prevalent on mountain capped volcanic potash soils than low lying swampy areas.

**Financially Feasible:** the use of the property is analyzed to make a determination as to the likelihood that the property is capable of producing a return which is greater than the combined income needed to satisfy operation expenses, debt service, and capital amortization. Any use that is expected to produce a positive return is classified as financially feasible. Timber harvest production creates a positive return to the land and is the typical use of the land in the immediate area with land. Due to a slump in housing starts, the current timber harvesting has slowed. It is more likely this parcel would be used as assemblage, or recreation/wildlife habitat site.

**Maximally Productive:** the use that provides the highest rate of return among financially feasible uses is the highest and best use. The use of the land must yield a profitable net return, and the quantity of land devoted to any specific use must be limited to that quantity which will yield a maximum return to each owner. Given current economic conditions that affect timber and given the location, lack of public access (assumes legal access), climate, flood zone, and soil type, the maximally productive use is considered to be supplemental timber harvesting parcel with residual potential recreation or wildlife habitat site or assemblage to adjoining parcels.

### **Highest and Best Use Summary**

The subject neighborhood is a rural location within the outer reaches of the Weippe community in south central Clearwater County. The predominate land use in the area is timber production, cut-over timber with change of use to smaller rural development sites, dry graze, and dry crop agriculture. The property does not have public access, but hypothetically has legal access. The parcel has near 100% 100-year flood zone cover and is bisected with a Class I stream bed. There are 28 +/- acres of mature timber and the balance is dry graze with mature species of grasses typical of moist swampy thickets that are wet in the spring and early summer and dry in the late summer and fall. Harvesting the timber is problematic because of the requirement to cross a Class I stream, with a rough estimate of cost to build a compliant crossing offsetting the net timber value. The parcel has no residential development potential. I have concluded the highest and best use is recreation with potential assemblage, recreation or wildlife habitat.

## **Sales Comparison Approach**

The scope of work includes Sales Comparison Approach only. The Sales Comparison Approach is a process of comparing actual comparable property sales. This approach to value is based upon the Principle of Substitution, which holds that "the value of a property tends to be set by the price that would be paid to acquire a substitute property of similar utility and desirability within a reasonable amount of time. This principle implies that the reliability of the Sales Comparison Approach is diminished if substitute properties are not available in the market." (The Appraisal of Real Estate, Thirteenth Edition, page 418).

This approach is based upon the collection of similar sales and offering data for comparison. Market-derived adjustments for relevant factors can sometimes be extracted from these and other sales. The sales data is compared to the subject on the basis of those elements of comparison which include real property rights conveyed, financing terms, conditions of sale, and date of sale. Location and other physical characteristics are then considered. Physical characteristics typically used in comparison are access, shape, topography, utilities, zoning, and flood plain. Because adjustments for these relevant factors are market derived, the desires and actions of typical buyers and sellers are reflected in the comparison process. Listed on the following pages are data that have been used to value the subject 40 acre parcel.

## Sale 1

### 80 Acres – Grangemont Highway, Orofino, Clearwater County, Idaho

#### Location Data

Location: Grangemont  
Highway  
Mile Marker 15  
Orofino, ID  
County: Clearwater  
Assessor's  
Parcel No: RP37N04E300700A  
Market Medium  
Type:

#### Physical Data

Type: Agricultural/Timber  
Land Area 80.00 Acres  
Access: No public Access  
Topography: Undulating  
Shape: Irregular

#### Utilities:

Telephone: No Utilities  
Electricity: No Utilities  
Water: None/Wells are  
typical  
Sewer: None/Septic is  
typical  
Gas: Not available  
Zoning: Agriculture/Forest

#### Valuation

Use At Timber land  
Sale:  
Proposed Timber land  
Use/ Dev:  
Price/Ac: \$2,200



#### Sale Data

Sale Status: Recorded  
Date: December 17, 2008  
Marketing Time: Private Transaction  
Grantor: Potlatch Forest Holdings, Inc.  
Grantee: Gary Philip Johnston  
Document No: Deed No. 210452  
Sale Price: \$176,000  
Adjusted Sales Price: \$176,000  
Confirmed By: R.M. Stroschein, MAI; Assessor; and Seller

#### Property Remarks:

Located on Grangemont Highway, mile marker 15, ½ mile past Rudo School on right (as heading north). Insured access easement from Grangemont Road through girdle property to site. No public access road frontage. Timber cut about 20 years ago and replanted 5 years later.

#### Sale Comments:

This was a cash sale.

## Sale 2

### 50.56 Acres – Suttler Creek Road, Kooskia, Idaho County, Idaho

#### Location Data

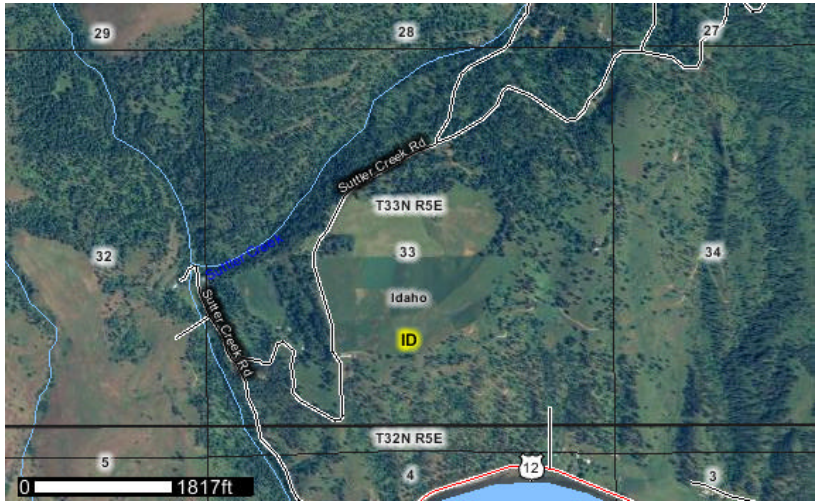
Location: Suttler Creek Road  
Kooskia, ID 83539  
County: Idaho  
Assessor's: RP33N05E0331220  
Parcel No:  
Market: Medium  
Type:

#### Physical Data

Type: Agricultural/Timber  
Land Area: 50.56 Acres  
Acres:  
Access: County Road  
Access  
Topography: Flat, Steep, Mostly  
Hilly, Stream  
Shape: Irregular  
**Utilities:**  
Telephone: No Utilities  
Electricity: Available  
Water: None/Wells are  
typical  
Sewer: None/Septic is  
typical  
Gas: Propane  
Zoning: Agriculture/Forest

#### Valuation

Use At: See comments  
Sale: section  
Proposed: See comments  
Use/ Dev: section  
Price/Ac: \$1,819.62



#### Sale Data

Sale Status: Recorded  
Date: May 20, 2009  
  
Marketing Time: 448 Days  
  
Grantor: Bennett Forest Industries  
Grantee: Debbie Jokovac  
Document No: Deed No. 466810  
Sale Price: \$92,000  
Adjusted Sales Price: \$92,000  
Confirmed By: R.M. Stroschein, MAI; Assessor; and Seller

#### Property Remarks:

Bennett Forest Products sold these 50.56 acres in SWNW less Tax#18 SENW West of County Rd Less Tax #'s 18 and 19, 33N, 5E, Sec 33 to Jokovac for \$92,000. The year round Suttler Creek runs through the property. Property had been heavily logged, is very steep but has good county road access. Sellers planted 14,000 seedlings of douglas fir and pine trees. Property is located 1.5 mile off US 12 at MP 82 on a school bus and mail route public road.

#### Sale Comments:

Buyers paid cash for the property (MLS misstated "Seller Financing"). Buyers purchased the property to build a home. The creek bisecting the property was a major factor in buying this particular piece of property. Property was listed at \$149,000, price dropped to \$108,000 and accepted an offer for \$92,000 April 2009. Closed May 20, 2009.

### Sale 3

#### 55 Acres – Mushellshell Road, Weippe, Clearwater County, Idaho

##### Location Data

Location: Musellshell Road  
Weippe, ID  
County: Clearwater  
Assessor's (This is part of a  
Parcel No: split and the new  
Parcel Numbers  
haven't been  
given)  
Market Small  
Type:

##### Physical Data

Type: Agricultural/Timber  
Land Area 55.00 Acres  
Access: Public Road Access  
Topography: Sloping above Road  
Shape: See Plat

##### Utilities:

Telephone: At property line  
Electricity: Available ¼ Mile  
Water: None/Wells are  
typical  
Sewer: None/Septic is  
typical  
Gas: Not available  
Zoning: Forest

##### Valuation

Use At See comments  
Sale: section  
Proposed See comments  
Use/ Dev: section  
Price/Ac: \$2,272.73



##### Sale Data

Sale Status: Recorded  
Date: November 23, 2009  
Marketing Time: 13 Days  
Grantor: Potlatch Forest Holdings, Inc.  
Grantee: Kristin and Dave Gibson  
Document No: Deed No. 213099  
Sale Price: \$125,000  
Adjusted Sales Price: \$125,000  
Confirmed By: R.M. Stroschein, MAI; Assessor; Seller  
and LC MLS 114746

##### Property Remarks:

Potlatch sold this 55 acres in 35N, 5E, Sec 14 & 15 to Kristin and Dave Gibson for \$125,000.00. Property closed in November. Fronts on Musellshell Rd. Power 1/4 mile from property. Phone is along edge of property. Minimal timber value. About 15 acres was clear cut a couple years ago. 2-3 MBF/Acre remaining. Legal Description: Township 35 N, Range 5 E, Section 14: NW1/4SW1/4 lying north of the county road 6-10326; Section 15: NE1/4SE1/4, lying north of the County Road 6-10326.

##### Sale Comments:

This was a cash sale.

## Sale 4

### 80 Acres – South of Bovill, Latah County, Idaho

#### Location Data

Location: S off Highway 8  
Bovill, Idaho  
County: Latah  
Assessor's  
Parcel No: RP40N01E204217A  
Market: Medium  
Type:

#### Physical Data

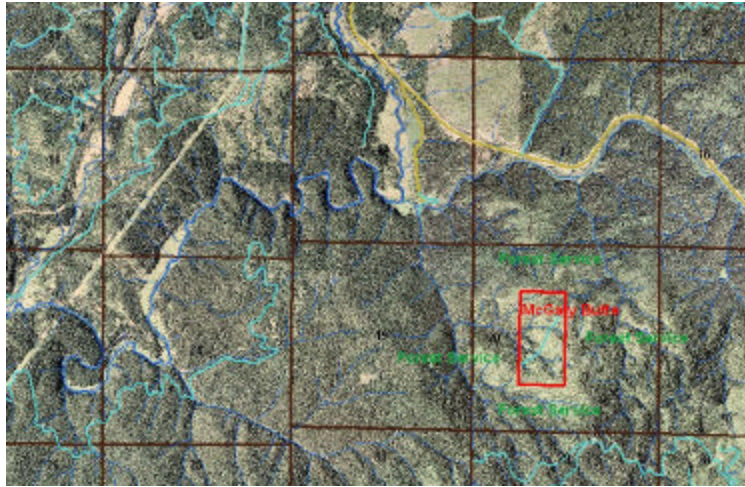
Type: Agricultural/Timber  
Land Area: 80.00 Acres  
Acres:  
Access: No public Access  
Topography: Mostly Steep  
Shape: Rectangular

#### Utilities:

Telephone: No Utilities  
Electricity: No Utilities  
Water: None/Wells are typical  
Sewer: None/Septic is typical  
Gas: Not available  
Zoning: Agriculture/Forest

#### Valuation

Use At: See comments  
Sale: section  
Proposed: See comments  
Use/ Dev: section  
Price/Ac: \$937.50



#### Sale Data

Sale Status: Recorded  
Date: December 8, 2008  
Marketing Time: 83 Days  
Grantor: Potlatch Forest Holdings, INC.  
Grantee: Mark and Deborah Loaiza  
Document No: B & S Deed# 526483  
Sale Price: \$75,000  
Adjusted Sales Price: \$75,000  
Confirmed By: R.M. Stroschein, MAI; Assessor; Buyer and Seller

#### Property Remarks:

Approximately 80 acres south from Bovill on Highway 8 towards Elk River for 3.3 miles. Restricted Access FS Road. Gate key was obtained by the buyer with permit to use motor vehicles on the road. Annual fee required for ingress and egress. Previous burn area with volunteer second growth tree cover. This property is a true Forest Service inholding. Short legal description is T40N, R01E, Section 20 SE 1/4NW1/4, NE1/4 SW1/4.

#### Sale Comments:

This was a cash sale.



## Sale 5

### 40 Acres – 15 miles from Kamiah, Idaho County, Idaho

#### Location Data

Location: Crocker Creek  
Kamiah, ID  
County: Idaho  
Assessor's  
Parcel No: RP34N05E197210A  
Market Medium  
Type:

#### Physical Data

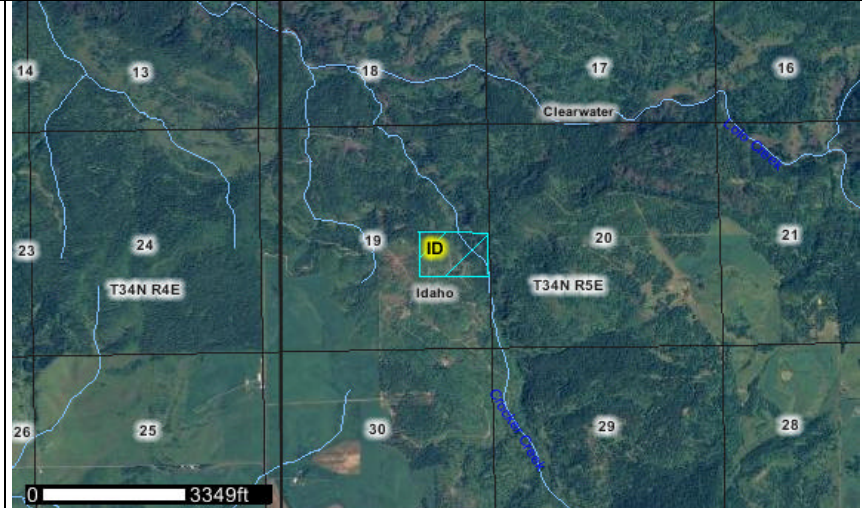
Type: Agricultural/Timber  
Land Area 40.00 Acres  
Acres:  
Access: No public Access  
Topography: Sloping  
Shape: Square

#### Utilities:

Telephone: No Utilities  
Electricity: No Utilities  
Water: None/Wells are typical  
Sewer: None/Septic is typical  
Gas: Not available  
Zoning: Agriculture/Forest

#### Valuation

Use At See comments  
Sale: section  
Proposed See comments  
Use/ Dev: section  
Price/Ac: \$1,745.33



#### Sale Data

Sale Status: Recorded  
Date: January 18, 2008  
Marketing Time: 4 Days  
Grantor: Larry Wong  
Grantee: Starker Services  
Document No: Deed No. 459151  
Sale Price: \$69,816  
Adjusted Sales Price: \$69,816  
Confirmed By: R.M. Stroschein, MAI; Assessor; and Seller

#### Property Remarks:

Approximately 40 acres of semi-remote, very private, timbered land located in T34N, R5E, Sec 19.  
Glenwood – Caribel Area, Private access easement.

#### Sale Comments:

This was a cash sale. Buyer is from out of the area.



## Sale 6

### 160 Acres – Weippe, Clearwater County, Idaho

#### Location Data

Location: 3 Mile Road  
Weippe, ID  
County: Clearwater  
Assessor's  
Parcel No: RP34N04E037200A  
Market: Medium  
Type:

#### Physical Data

Type: Agricultural/Timber  
Land Area: 160.00 Acres  
Access:  
Access: No public Access  
Topography: Level  
Shape: Square

#### Utilities:

Telephone: No Utilities  
Electricity: No Utilities  
Water: None/Wells are typical  
Sewer: None/Septic is typical  
Gas: Not available  
Zoning: Agriculture/Forest

#### Valuation

Use At: See comments  
Sale: section  
Proposed: See comments  
Use/ Dev: section  
Price/Ac: \$1,750



#### Sale Data

Sale Status: Recorded  
Date: February 27, 2009  
Marketing Time: Private transaction  
Grantor: Potlatch Forest Holdings, Inc.  
Grantee: Kenneth and Linda Steigers  
Document No: Deed No. 211138  
Sale Price: \$280,000  
Adjusted Sales Price: \$280,000  
Confirmed By: R.M. Stroschein, MAI; Assessor; and Seller

#### Property Remarks:

Approximately 145 acres were clear-cut by Potlatch in about 1980, replanted in about 1981-1983. Approximately 15 acres of larger timber was cut by Potlatch in the southwest corner during 2008. A few seed trees were left standing. The property does not have legal access, but the parcel abutted the purchaser's property on the west which does front onto a county road, so they could provide access. There was no merchantable timber or utilities to the property. The seller did not consider the property to be developable. It is flat, no views. The property abuts IDL to the east. Legal Description: Township 34N R4E Section 3: SE1/4

#### Sale Comments:

This was a cash sale.

## Sale 7

### 80 Acres – Weippe, Clearwater County, Idaho

#### Location Data

Location: NNA  
Weippe, ID  
County: Clearwater  
Assessor's  
Parcel No: RP35N04E284800A  
Market Small  
Type:

#### Physical Data

Type: Agricultural/Timber  
Land Area 80.00 Acres  
Acres:  
Access: No public Access  
Topography: Level  
Shape: Rectangular

#### Utilities:

Telephone: No Utilities  
Electricity: No Utilities  
Water: None/Wells are typical  
Sewer: None/Septic is typical  
Gas: Not available  
Zoning: Agriculture/Forest

#### Valuation

Use At See comments  
Sale: section  
Proposed See comments  
Use/ Dev: section  
Price/Ac: \$2,062.50



#### Sale Data

Sale Status: Recorded  
Date: September 30, 2009  
Marketing Time: Private transaction  
Grantor: Potlatch Forest Holdings, Inc.  
Grantee: Don Saraceno  
Document No: Deed No. 21276  
Sale Price: \$165,000  
Adjusted Sales Price: \$165,000  
Confirmed By: R.M. Stroschein, MAI; Assessor; and Seller

#### Property Remarks:

Sold 80 acres in 35N, 4E, Sec 28 to Don Saraceno in September for \$165,000.00. A little timber value could be taken on an over-story removal; well generated under the timber canopy. No Legal access. No development potential. Access is through IDL. Legal: T35N, R04E, Section 28, 35N, 4E NESW, NWSE

#### Sale Comments:

This was a cash sale.

## Sales Grid

Sales Comparison Approach				
Sale data	Subject	Sale 1	Sale 2	Sale 3
Grantor (seller)		Potlatch Forest Holding	Bennett Forest Industries	Potlatch Forest Holding
Grantee (buyer)		Gary Phillip Johnson	Debbie Jokovac	Kristin & Dave Gibson
Source		Deed # 210452	Deed # 466810	Deed# 213099
Eff. Date	11/19/2009	12/17/2008	5/20/2009	11/23/2009
Eff. Unit size/ Unit	40 Acres	80.00	50.56	55.00
Sale Price		\$176,000	\$92,000	\$125,000
Finance Adjustment		\$0	\$0	\$0
CEV Price		\$176,000	\$92,000	\$125,000
Cap Rate				
Expense Ratio				
CEV Price / Acre		\$2,200.00	\$1,819.62	\$2,272.73
Land and Improvement Adjustments				
Land adjustments		\$0.00	\$0.00	\$0.00
Impvt. Adjustments				
Adjusted Price		\$2,200.00	\$1,819.62	\$2,272.73
Time Adjustments				
Yearly*	Periods	0.92	0.50	-0.01
Simple Compounding	Rate	0.00%	0.00%	0.00%
Manual	Time Adjustment	0.00%	0.00%	0.00%
	Time adj. \$/AC	\$2,200	\$1,820	\$2,273
Other Adjustments				
Production	7 MBF	2-3 MBF	Reforestation	2-3 MBF
	Adjustment	2.00%	2.00%	2.00%
Access	Undev Prv Access	Developed Prv Access	County Road	County Road
	Adjustment	-10.00%	-20.00%	-20.00%
Develop Influence	None	Yes	Yes	Yes
	Adjustment	-20.00%	-20.00%	-20.00%
Topography	Level-Flood Zone	Sloping	Steep Slopes	Sloping
	Adjustment	Offsets	Offsets	Offsets
Adjoining Public Land	No	No - See Comments	No - See Comments	Yes
	Adjustment %	0%	0%	-10%
Total % Adjustment		-28%	-38%	-48%
Net Adjustment	Adjustments	(\$616.00)	(\$691.46)	(\$1,090.91)
Adjusted Price/AC		\$1,584	\$1,128	\$1,182

### Sales Comparison Approach

Sale data	Subject	Sale 4	Sale 5	Sale 6	Sale 7
Grantor (seller)		Potlatch Forest Holding	Larry Wong	Potlatch Forest Holding	Potlatch Forest Holding
Grantee (buyer)		Mark & Deborah Loaiza	Starker Services	Kenneth & Linda Steigers	Don Saraceno
Source		Deed# 526483	Deed# 459151	Deed# 211138	Deed# 21276
Eff. Date	11/19/2009	12/8/2008	1/18/2008	2/27/2009	9/30/2009
Eff. Unit size/ Unit	40 Acres	80.00	40.00	160.00	80.00
Sale Price		\$75,000	\$69,816	\$280,000	\$165,000
Finance Adjustment		\$0	\$0	\$0	\$0
CEV Price		\$75,000	\$69,816	\$280,000	\$165,000
Cap Rate					
Expense Ratio					
CEV Price / Acre		\$937.50	\$1,745.40	\$1,750.00	\$2,062.50
<b>Land and Improvement Adjustments</b>					
Land adjustments		\$0.00	\$0.00	\$0.00	\$0.00
Impvt. Adjustments					\$0.00
Adjusted Price		\$937.50	\$1,745.40	\$1,750.00	\$2,062.50
<b>Time Adjustments</b>					
Yearly*	Periods	0.95	1.84	0.73	0.14
Simple Compounding	Rate	0.00%	0.00%	0.00%	0.00%
Manual	Time Adjustment	0.00%	0.00%	0.00%	0.00%
	Time adj. \$/AC	\$938	\$1,745	\$1,750	\$2,063
<b>Other Adjustments</b>					
Production	Timber	Cut-Over	Cut-Over	25-Yr Growth 145 AC	Over-Story Timber
	Adjustment	10.00%	10.00%	0.00%	10.00%
Access	Undev Pvt Access	USFS	Pvt Access Esmt	IDOL Road	IDOL Road
	Adjustment	0.00%	0.00%	0.00%	0.00%
Develop Influence	None	None	None	None	None
	Adjustment	0.00%	0.00%	0.00%	0.00%
Topography	Level	Steep	Steep then Level	Sloping - Level	Level
	Adjustment	Offsets w/FloodZone	Offsets w/FloodZone	Offsets w/Flood Zone	-10.00%
Public Land Adjoining	No	FS Inholding	No	One Side IDOL	Three Sides IDOL
	Adjustment %	-20.00%	0.00%	-10.00%	-15.00%
		-10.00%	10.00%	-10.00%	-15.00%
<b>Net Adjustment</b>	<b>Adjustments</b>	<b>(\$93.75)</b>	<b>\$174.54</b>	<b>(\$175.00)</b>	<b>(\$309.38)</b>
<b>Adjusted Price/AC</b>		<b>\$844</b>	<b>\$1,920</b>	<b>\$1,575</b>	<b>\$1,753</b>

\* The "Yearly Periods" row refers to the elapsed time from the sale date to the effective date of value, found by the following formula:

$$\text{Yearly Period} = \frac{\text{Effective Date of Value} - \text{Comparable's Date of Sale}}{365}$$

For instance, sale 3 was sold 4 days after the effective date of value, and negative four divided by 365 is -.01. However, no adjustments are made due to elapsed time because there has been no discernible change in the market.

## SUMMARY OF LAND SALES ADJUSTED

**Sale 1** is 80 acres of selective cut timber sold by Potlatch Forest Holdings to Gary Johnston in December 2008 for \$176,000, or \$2,200 per acre. This parcel is located 15 miles north of Orofino accessed by Grangemont Highway to a private access easement provided by PFH. Adjoining land to the South, East, and part of the West is University Endowment Trust land managed by IDL. There was approximately 2 MBF remaining on the parcel. The buyer purchased this property to build a private residence and use it for recreation however it was not clear if the buyer will be able to obtain ALTA title policy required for conventional financing due to the private access to the property. Despite this issue, the buyer incentive was for development, requiring an adjustment. Due to 20-acre development allowance, no adjustment was made for size. There has been no discernable market change. No adjustment was made for time. This sale was used as an indicator of value for a development parcel verses an undevelopable parcel and not used as a direct comparable. This parcel is located at a lower elevation, considered more desirable for recreational hunting due to a more moderate climate. The seller did build an improved roadway to the property across the easement. Adjusted for developed private access and development influence. Adjusted price/acre is \$1,584, considered to reasonable, though this sale was given less weight in the final value.

**Sale 2** is 50.56 acres sold by Bennett Lumber, originally listed for \$149,000 with a price reduction to \$108,000 and sold for \$92,000. The sellers completed reforestation of 14,000 seedlings of doug fir and pine. Adjoining land to the North is University Endowment Trust land managed by IDL. Property was adjusted for public access, however is considered remote (18.5 miles from Kamiah and 11.5 miles from Kooskiah). This is a very steep property with limited utility, however is not located in a flood zone. These offset. There was no time adjustment. Adjusted price/acre is \$1,128/acre. This property was given less weight due to large adjustments and different location.

**Sale 3** Potlatch Forrest Holdings sold this 55 acres in 35N, 5E, Sec 14 & 15 to Kristin and Dave Gibson for \$125,000.00. Property closed in November 2009. The land fronts on Musellsell Rd. approximately 10 road miles from the subject property. Power is 1/4 mile from property. Phone is along edge of property. Minimal timber value. About 15 acres was clear cut a couple years ago. 2-3 MBF/Acre remaining. Property sold for \$2,272.73/acre. This parcel was adjusted for public access and timber. This sale occurred four days after the effective date of value, but is a valid sale to consider in this analysis. This sale was given strong consideration in the concluded value. Adjusted Price/Acre is \$1,182. This sale is recent and was given equal weight with concluded values on Sales 6 and 7, all in the same immediate Weippe area as the subject.

**Sale 4** Potlatch Forest Holdings sold 80 acres in 40N, 1E, Section 20 on December 8, 2008 for \$75,000 cash. This translates to \$937.50/acre. Access is through a private road, the seller was working on acquiring public access at time of sale. This parcel is located 3 miles southeast of Bovill and is surrounded on three sides by state land, creating a good hunting or recreational

site. Adjustment for adjoining State Land was made. Adjusted \$/Acre is \$844/acre. This property was used as an indicator, but not heavily weighted due to older sale date and distance from to the subject: about 80 miles to the Northwest.

**Sale 5** is a 40-acre parcel that sold in January 2008. This is an older sale of a timbered parcel located 15 miles from Kamiah in the Glenwood – Caribel area purchased by a buyer from out of the area. The parcel was accessed via a private easement that limited access use to agriculture and harvesting uses and had been party to a law suit in an attempt to keep out recreation buyers. The buyer purchased the property with full knowledge of the ongoing litigation. The parcel had been heavily logged with some young volunteer second growth. The buyer purchased the parcel for recreation purposes. There was no power to the property but there was some limited cell phone service, according to the Realtor. Could only be accessed via ATV. This parcel was surrounded by private land. Adjusted \$/Acre is \$1,920. This sale indicates the high range of value and was given a 10% weight, which indicates the low range of value.

**Sale 6** is 160 acres purchased in February 2009 by property owners abutting the sale parcel. This was property owned by Potlatch Forest Holdings, Inc. that sold for \$1,750/acre and had no legal access. The property has 145 acres of 25 year timber regrowth planted in 1981-1983. According to Potlatch, there was no merchantable timber in this sale. There was no power to this parcel. Buyer purchased the property to assemble to their existing land. The property abuts IDOL land to the east, creating access to the parcel. This property is located approximately four miles southwest of the subject. This is considered a good comparable to the subject. There is no discernable difference relative to size. Adjusted price/acre is \$1,575 and was given strong consideration in the final conclusion to value with -10% net adjustment and recent sale, located near the subject property.

**Sale 7** is 80 acres that was sold by Potlatch forest Holding, Inc. to Don and Kerri Saraceno on September 30, 2009. This property has a small amount of over-story timber value. This parcel has no legal access but is surrounded on three sides by IDOL land, and is accessed via an IDOL road. This property was purchased for recreation purposes and has no development potential. This parcel is located three miles westerly of the subject parcel and is considered a good comparable. Adjusted price/Acre is \$1,753. This is a recent sale located near the subject property and was given equal weight as Sales 3, and 6.

The subject property is a 40-acre parcel of level property located on the Weippe Prairie with no public access and hypothetical legal access. The property has 28 acres of mature timber, the balance being meadow. There is an overall average of 7 MBF/Acre of merchantable timber. Timber harvest on this parcel is problematic due to compliance with Class I stream crossing, appearing to offset potential timber income. Tree cover was considered in the aesthetic value of recreation use. All of the recent sales in this region were for assemblage or small acreage development or hunting/recreation purposes. It is reasonable the subject parcel would be used for the same uses. There was no discernable adjustment for size or time.

In the following table I have place the sales in an array that best represents the placement of the subject within the sales used. Sales 3, 6 and 7 were weighted at a total of 75%. It is reasonable to conclude a value of \$1,500/acre for the subject parcel.

Final Conclusion to Value					
Summary - Set in Qualitative Order					
Condition		Unadjusted Price/Acre	Closing Date	Adjusted Price/Acre	Weight
Sale 5	Kamiah-Wong to Starker	\$1,745	18-Jan-08	\$1,920	10%
Sale 1	Grangemont-Potlatch-Johnson	\$2,200	17-Dec-08	\$1,584	5%
Sale 7	Weippe-Potlatch-Saraceno	\$2,062	30-Sep-09	\$1,753	25%
Sale 6	Weippe-Potlatch-Steigers	\$1,750	27-Feb-09	\$1,575	25%
Subject					
Sale 3	Weippe-Potlatch-Gibson	\$2,273	23-Nov-09	\$1,182	25%
Sale 2	Kooskia-Bennett-Jokovac	1,820	20-May-09	\$1,128	5%
Sale 4	Bovill-ER-Potlatch-Loaiza	\$938	17-Dec-08	\$844	5%
Statistical Analysis					
		Minimum	\$844.00		
		Average	\$1,426.57		
		Maximum	\$1,920.00		
Concluded Value					
Concluded \$/Acre		Land Size (Acres)		Value	
\$1,500		x	40	=	\$60,000

Based on the foregoing analysis, I have concluded the value of useable land, fee simple estate, as of November 19, 2009 based on the sales comparison approach is \$60,000.



Contingent and Limiting Conditions  
Appraisers Resume and License  
Letter of Engagement  
Timber Cruise  
Appraisal Contract

### **Assumptions and Limiting Conditions**

(Singular includes plural and appraiser includes evaluator, except where text is *italicized*)

The certification of the Appraiser appearing in the appraisal report is subject to the following assumptions and limiting conditions and to such other specific and limiting conditions as are set forth in Item No. 18 of this statement in accordance with Farmer Mac Collateral Valuation Standards and Guidelines.

1. The Appraiser assumes no responsibility for matters of a legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Sketches in the report may show approximate dimensions and are included only to assist the reader in visualizing the property. The Appraiser has made no survey of the property. Drawings and/or plats are not represented as an engineer's work product, nor are they provided for legal reference.
3. The Appraiser is not required to give testimony or appear in court because of having made the appraisal with reference to the property in question unless arrangements have been previously made.
4. Any distribution of the valuation in the report applies only under the existing program of utilization. Contributory value indications are only allocations and are not represented as separate valuations. The intended use of those contributory value indications is only in underwriting. Any other use is without obligation to the Appraiser.
5. The Appraiser has, in the process of exercising due diligence, requested, reviewed, and considered information provided by the ownership of the property and client, and the Appraiser has relied on such information being candid and complete, and assumes there are no hidden or unapparent conditions of the property, subsoil or structures, which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions, for engineering that might be required to discover such factors, or the cost of discovery or correction.
6. In an assignment where the Appraiser has not inspected the comparable sales, due to \_\_\_ lack of peaceful access or \_\_\_ client approved assignment limitations, as described and documented in the report, the appraiser has used comparable sale property information developed in the course of public and/or private record research. If public record information is subsequently found to have been in error, responsibility for the impact of the error rests with its source, not the appraiser.
7. The Appraiser is not qualified to verify or detect the presence of hazardous substances by visual inspection or otherwise, and is not qualified to determine the effect, if any, of known or unknown substances present. Unless otherwise stated, the final value conclusion is based on the subject property being free of hazardous waste contaminations, and it is specifically assumed

that present and subsequent ownerships will exercise due care to ensure that the property does not become otherwise contaminated. (See Farmer Mac Forms 1010A or 1010B)

8. Information, estimates, and opinions furnished to the Appraiser and contained in the report were obtained from sources considered reliable and believed to be true and correct. The Appraiser assumes no responsibility for accuracy of such items furnished the Appraiser.
9. Unless specifically cited, no value has been allocated to mineral rights or deposits.
10. Acreage of land types and measurements of improvements are based on physical inspection of the subject property unless otherwise noted in this appraisal report.
11. Water requirements and information provided has been relied on via IDWR web site search.
12. Disclosure of the contents of this report is governed by applicable law *and/or by the Bylaws and Regulations of the professional appraisal organization(s) with which the Appraiser is affiliated.*
13. Neither all nor any part of the report, or copy thereof, shall be used for any purposes by anyone but the client and intended users specified in the report without the written consent of the Appraiser.
14. Where the appraisal conclusions are subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusion are contingent upon completion of the improvements in a workmanlike manner consistent with the plans, specifications and/or scope of work relied upon in the appraisal.
15. EXCLUSIONS. In analyzing the subject property and its market the Appraiser considered and, as applicable, used only the market sales comparison approaches to develop value indications and reconciled the results to develop a final value conclusion. The explanation for excluding any of the three approaches in developing the final value conclusion is provided in this report.
16. SCOPE OF WORK RULE. The appraisal reflects a scope of work that is based on information from the client and this appraisal and report was prepared for the client's use and for use by Farmer Mac at their sole discretion within the framework of the intended use stated in the report. The use of this appraisal or report for any other purpose or use by any party not identified as an intended user of this report is beyond the scope of work contemplated in the appraisal, and without creating an obligation of the Appraiser.
17. Acceptance of the report by the client constitutes acceptance of all assumptions and limiting conditions contained in the report.
18. Other Assumptions and Limiting Conditions, including any extraordinary assumptions or hypothetical conditions (each applied on the basis of the client's written prior approval, a copy of which is contained in the Addenda to this report):

## **Ruby Miles Stroschein, MAI, MS AE**

### **Work Address**

Gem Valley Appraisal Service  
www.gemvalleyappraisal.com  
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### **Professional Societies and Designations:**

Member of the Appraisal Institute, member #2433

### **Professional Licenses and Certifications:**

Licensed Residential Appraiser, Idaho, 1991.  
Certified General Appraiser, Idaho, 1994. ID-CGA-175 Exp 4-18-2010  
Certified General Appraiser, Washington, 1997. WA-1100422 Exp. 4-18-2011

### **Education:**

MS in Applied Economics, University of Idaho, Moscow, ID – December 2008  
Undergraduate, University of Idaho, Moscow, ID - May 2001

### **Appraisal Education:**

2008: 502 – Advanced Appraisal Studies: Conservation Easement Valuation, University of Idaho  
2007: Advanced Case Condemnation Case Studies, Appraisal Institute – 15 CRH  
2007: Uniform Appraisal Standards for Federal Land Acquisitions, Appraisal Institute – 15 CRH  
2007: 7-Hour USPAP Update, Appraisal Institute  
2006: Appraising Special Use Properties, Appraisal Institute  
2004: Successfully completed Appraisal Institute Comprehensive Exams for MAI Designation.  
2004: Advanced Sales Comparison and cost Approach (530), challenged, Appraisal Institute.  
2004: Highest and Best Use and Market Analysis (520), Austin, TX, Appraisal Institute.  
2003: Advanced Income Approach (510), Atlanta, GA, Appraisal Institute.  
2003: Advanced Applications (550), Pleasanton, CA, Appraisal Institute  
2003: Business Practices and Ethics (420), Seattle, WA, Appraisal Institute  
2003: USPAP Update, Twin Falls, Idaho, American Society of Farm Managers and Rural Appraiser, 7 classroom hours.  
2000: Advanced Rural Appraisal (A-30), Denver, Colorado, American Society of Farm Managers and Rural Appraisers. 45 classroom hours.  
2000: Uniform Standards of Professional Appraisal Practice, Twin Falls, Idaho, American Society of Farm Managers and Rural Appraisers. 20 classroom hours.

2000: Eminent Domain (A-28), Bettendorf, Iowa, American Society of Farm Managers and Rural Appraisers. 30 classroom hours.

1999: Highest and Best Use of Appraisal, Jackpot, Nevada, American Society of Farm Managers and Rural Appraisers. 30 classroom hours.

1998: MAI Appraisal Reporting, Seattle, Washington, Appraisal Institute. 30 classroom hours.

1997: Timber Valuation, Spokane, Washington, Appraisal Institute. 30 classroom hours.

1996: Principles of Rural Appraisal (A-20), Salt Lake City, Utah, American Society of Farm Managers and Rural Appraisers. 45 classroom hours.

1995: Farm and Ranch Cost Seminar, Idaho Falls, Idaho, American Society of Farm Managers and Rural Appraisers. 15 classroom hours.

1994: Appraising from Blueprints, Boise, Idaho, Appraisal Institute. 8 classroom hours.

1993: Advanced Farm and Ranch Appraising, Princeton, Indiana, Independent Fee Appraisers. 32 classroom hours.

1993: Report Writing and Valuation Analysis, Portland Oregon, Appraisal Institute. 45 classroom hours.

1993: Appraisal Procedures: 120, Boise, Idaho, Appraisal Institute. 45 classroom hours.

1993: Basic Income Capitalization, Boise, Idaho, Appraisal Institute. 45 classroom hours.

1991: Principles of Residential Real Estate Appraising, Billings, Montana, Independent Fee Appraisers. 45 classroom hours.

1991: Appraisal Cost Analysis, Helena, Montana, Independent Fee Appraisers. 30 classroom hours.

### **Experience:**

2009 forward: Instructor, Finance 445, Washington State University, Pullman, WA (Commercial RE Appraisal)

2002 forward: Instructor, Ag Econ 361, Farm and Natural Resource Appraisal, University of Idaho, Moscow, ID

2000-2004: Research Associate to Dr. Jim Nelson for NIATT Proximity Damages Study for ITD, University of Idaho.

1996 to present: Owner and certified general appraiser - Gem Valley Appraisal Service, Moscow, Idaho.

Complete commercial, agricultural, and residential appraisals for the following organizations and others:

Wells Fargo Bank	FirstBank Northwest	Farmer Mac
AmericanWest Bank	Bank of Whitman	State Bank of Garfield
Washington DOT	US Bank	Zions Bank
Farm Service Agency	Idaho Transportation Dept	FDIC
NW Farm Credit	State of Washington	Latah County
PPH Home Mortgage	Bank of America	City of Troy
University of Idaho	City of Pullman	City of Moscow
City of Palouse	WSU	City of Kendrick
Citicorp	Banner Bank	Community Bank

1984-1995: Broker, appraiser, owner of Gem Valley Real Estate and Appraisals, Aberdeen, Idaho. Utah/Idaho Real Estate Broker, commercial, agricultural, and residential appraisals and agricultural financial consulting.

1981-1984: Associate real estate broker for Maughan and Associates, Soda Springs, Idaho.

1977-1979: Administrative assistant for Tudor S. Gourley Law Office, McLean, Virginia.  
Managed the real estate settlement department and acted as consultant to Fairfax Title Company.

1976-1977: Sales associate for Better Homes Realty, Springfield, Virginia.

1973-1975: Administrative assistant for Utah Mortgage Realtors, Logan, Utah. Director for speculation building projects, real estate closing, and property management.

1972: Legal secretary for Rigby and Thatcher Law Office, Rexburg, Idaho.

**Community Service:**

Former Chair and Member, State of Idaho Appraisal Certification Licensing Board, three-term member  
Housemother, FarmHouse Fraternity, University of Idaho

Member, Moscow Chamber of Commerce

Member and past-president, Moscow Rotary Club

President, Rotary Veterans Memorial Pavilion, 501c3 dba The Palouse Ice Rink

Former director, Governing Board of Directors of Caribou Memorial Hospital

Former director, Gritman Medical Center Foundation

**Professional Publications:**

"Valuation of Indirect Losses Due to Proximity Damages on Residential Property in Idaho." Research report submitted to Idaho Transportation Department, co-authored with Sarah E. Miles, CGA and Dr. James Nelson, University of Idaho. Report is currently being used as a template by WCRER in WashDOT proximity damage research grant.

Report can be viewed at [http://www.gemvalleyappraisal.com/publications/KLK469\\_N05-08.pdf](http://www.gemvalleyappraisal.com/publications/KLK469_N05-08.pdf)

"Determinants of Farmland Values In the Rapidly Developing Boise, Idaho Metro Area: Applying Mathematical Modeling to Highest and Best Use Analysis." Journal, American Society of Farm Managers and Rural Appraisers. [July 10, 2007] Co-authored with Dr. James Nelson, Dr. Joel Hamilton and graduate student, April Beasley.

Article can be viewed at: [http://www.gemvalleyappraisal.com/publications/272\\_Nelson\\_1.pdf](http://www.gemvalleyappraisal.com/publications/272_Nelson_1.pdf)

**Professional Presentations:**

"Highest and Best Use" break-out session for Idaho Department of Lands 2005 annual convention.

Invitation to be a presenter at National Convention, American Society of Farm Managers and Rural Appraisers in San Diego, Feb 08 addressing "Mathematical Modeling to Highest and Best Use Analysis".

Co-recipient of the 2007 Gold Quill Award for publication in the Journal, American Society of Farm Managers and Rural Appraisers.

**Recent Appraisals for Federally and State Funded Projects:**

SR 272 Inverse Condemnation UASFLA Compliant "B&A" Appraisal for Washington State Attorney General's Office on behalf of Washington DOT – August 2009

US 95 Condemnation Appraisals for Idaho Transportation Department from Lewiston Hill to Genesee on 33 parcels, including two wetlands mitigation parcels.

Idaho Fish and Game acquisition for US 12 turn-out at Myrtle Beach, Nez Perce County, Idaho.

Idaho Fish and Game acquisition of boat ramp on the Snake River, Asotin County, Washington.

Idaho Transportation Department acquisition for US 12 passing lane, Clearwater County, Idaho.

Idaho Department of Transportation Inverse Condemnation claim for SR 3, Orofino, Idaho

Six abandoned railroad corridor parcels through the City of Moscow for Paradise Creek Realignment for US Army Corp of Engineers in December 2006.

US Forest Service – five condemnation appraisals for permanent easement acquisitions on Main Salmon River Road, Idaho County, Idaho for two bridge replacements in December 2007.



**Bureau of Occupational Licenses  
Department of Self Governing Agencies**  
The person named has met the requirements for licensure and is entitled  
under the laws and rules of the State of Idaho to operate as a(n)  
**CERTIFIED GENERAL APPRAISER**

**RUBY M STROSCHEIN  
1464 ALPOWA AVENUE  
MOSCOW ID 83843**



*Tana Cory*  
**Tana Cory**  
Chief, B.O.L.

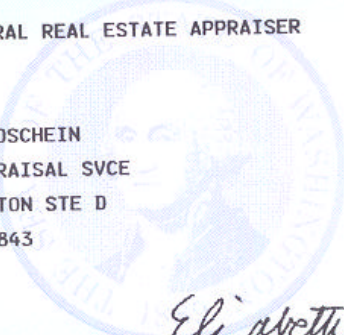
**CGA-175**  
Number

**04/18/2010**  
Expires

**STATE OF WASHINGTON**

**CERTIFIED GENERAL REAL ESTATE APPRAISER**

**RUBY MILES STROSCHEIN  
GEM VALLEY APPRAISAL SVCE  
828 S WASHINGTON STE D  
MOSCOW ID 83843**



**CERT/LIC NO.**  
1100422

**EXP. DATE**  
04/18/2011

*Elizabeth A. Luce*  
Director

## Cruise

### IDAHO DEPARTMENT OF LANDS MEMO TO THE LAND BOARD TIMBER SALE PROPOSAL

DESCRIPTION				Sale Name	
SUBDIVISION	SECTION	TWP	RANGE	Miles Creek 40 Land Sale	
NW,NE	36	35N	4E	Cruise No.	Sales Plan
				0	0
				Acres	Duration (Yrs)
				40	0 years
				Fund	
				Public School	
				County	
				Cleanwater	
				Scale Rate(s)	Slash Rate(s)
				\$4.75	\$1.90
				Deferred Road Maintenance	
				\$0.00	

SPECIES	RECOMMENDED PRICE PER MBF	VOLUME (MBF)	VALUE EXTENDED
White Pine	\$83.90	0	\$0.00
Ponderosa Pine	\$39.30	0	\$0.00
Douglas-fir & Larch	\$77.20	20	\$1,559.44
Grand Fir, Hemlock, SAF	\$63.00	90	\$5,670.00
Cedar	\$325.50	0	\$0.00
Cedar Products	\$103.00	0	\$0.00
Spruce	\$54.40	0	\$0.00
Lodgepole Pine	\$57.70	175	\$10,097.50
Pulp	\$13.40	123	\$1,648.20
Cedar Poles			\$0.00
Other			\$0.00
Totals		408	\$18,975.14
		Less Developments	\$7,348.00
		Net Value	\$11,627.14

REMARKS:

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BOARD ACTION:

Approved
Denied

TM-3 (12/98)

## SALE INPUT DOCUMENT

[illegible]

STATE OF IDAHO  
DEPARTMENT OF LANDS

CONTRACT # 10-116

THIS AGREEMENT is by and between the STATE OF IDAHO, acting through the DEPARTMENT OF LANDS on behalf of the Idaho State Board of Land Commissioners, hereafter referred to as the "STATE," and GEM VALLEY APPRAISAL, hereafter referred to as the "CONTRACTOR."

1. TERMS AND DEFINITIONS

- a. Attachments: The attached scope of work, Contractor's proposal/bid and other labeled references are a part of this contract and any special terms therein are binding upon all parties.
- b. State, Idaho Department of Lands, (IDL): Acceptable and legal references to the Idaho Department of Lands for the purposes of this contract.
- c. State of Idaho Board of Land Commissioners [Land Board]: Governing body for all Public School Trust Lands within the State of Idaho. Idaho Department of Lands acts on behalf of the Land Board.
- d. Contract Supervisor: The designated Department of Lands representative who will provide administration of the contract and oversee the activities required by the project description.
- e. Contractor: The party or firm performing the service.
- f. Purchasing Agent: The Contracting Officer for the Idaho Department of Lands.
- g. Services: Includes services performed, workmanship, and materials furnished or utilized in the performance of services, including any deliverables.
- h. Scope of Work: Detailed outline of the location, project description, timeline, and deliverables.

2. CONTRACT RELATIONSHIP

It is distinctly and particularly understood and agreed between the parties that this contract does not create an employer/employee relationship. Furthermore, the State of Idaho is in no way associated or otherwise connected with the performance of any service under this contract on the part of the Contractor or with the employment of labor or the incurring of expenses by the Contractor. Said Contractor is an independent contractor in the performance of each and every part of this contract, and solely and personally liable for all labor, taxes, insurance, required bonding and other expenses, except as specifically stated herein, and for any and all damages in connection with the operation of this contract, whether it may be for personal injuries or damages of any other kind. The Contractor shall exonerate, indemnify and hold the State of Idaho harmless from and against and assume full responsibility for payment of all federal, state and local taxes or contributions imposed or required under unemployment insurance, social security, and income tax laws with respect to the Contractor or Contractor's employees engaged in performance under this contract.

3. CONTRACTOR RESPONSIBILITY

The Contractor shall be required to assume responsibility for production and delivery of all material and services included in this contract, whether or not the Contractor is the manufacturer or producer of such material or services. Further, the Contractor will be the sole point of contact on contractual matters, including payment of charges resulting from the use or purchase of goods or services.

4. SUBCONTRACTING

Unless otherwise allowed by the State in this contract, the Contractor shall not, without written approval from the State, enter into any subcontract relating to the performance of this contract or any part thereof. Approval by the State of Contractor's request to subcontract or acceptance of or payment for subcontracted work by the State shall not in any way relieve the Contractor of responsibility for the professional and technical accuracy and adequacy of the work. The Contractor shall be and remain liable for all damages to the State caused by negligent performance or non-performance of work under the contract by Contractor's subcontractor or its sub-subcontractor.

5. ANTIDISCRIMINATION/EQUAL EMPLOYMENT OPPORTUNITY CLAUSE

Acceptance of this contract binds the Contractor to the terms and conditions of Section 601, Title VI, Civil Rights Act of 1964 in that "No person in the United States shall, on the grounds of race, color, national origin, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity receiving Federal financial assistance." In addition, "No other wise qualified handicapped individual in the United States shall, solely by reason of his handicap, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance" (Section 504 of the Rehabilitation Act of 1973). Furthermore, for contracts involving federal funds, the applicable provisions and requirements of Executive Order 11246 as amended, Section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974, Section 701 of Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act of 1967 (ADEA), 29 USC Sections 621, et seq., the Age Discrimination Act of 1975, Title IX of the Education Amendments of 1972, U.S. Department of Interior regulations at 43 CFR Part 17, and the Americans with Disabilities Action of 1990, are also incorporated into this contract. The Contractor must include this provision in every subcontract relating to purchases by the State to insure that subcontractors and vendors are bound by this provision.

6. WORKMAN'S COMPENSATION INSURANCE

The Contractor will maintain and pay for any applicable workman's compensation insurance and will provide a certificate of same to the Idaho Department of Lands prior to execution of the contract and commencement of work. If the Contractor does not have employees and is not otherwise required to carry workman's compensation insurance under the laws of the State of Idaho, the Idaho Department of Lands will furnish workman's compensation insurance for work done under this contract. If this contract is let for bid, the cost to the Idaho Department of Lands for furnishing such workman's compensation insurance will be added to the Contractor's bid price for purposes of bid evaluation only. In no event will said amount be paid to the Contractor.

7. TAXES

If the Contractor is required to pay any taxes incurred as a result of doing business with the State of Idaho, it shall be solely and absolutely responsible for the payment of those taxes.

8. LICENSES, PERMITS & FEES

The Contractor shall, without additional expense to the State, obtain all required licenses and permits and pay all fees necessary for executing provisions of this contract unless specifically stated otherwise herein.

9. STATE OF IDAHO MINIMUM WAGE LAW

It will be the responsibility of the Contractor to fully comply with Section 44-1502, Idaho Code, regarding minimum wage.



10. AFFIDAVIT OF COMPLIANCE

The Contractor, upon completion of the project work, must furnish the Idaho Department of Lands with a notarized affidavit stating that:

- a. At least the minimum Idaho wage was paid.
- b. There was compliance with all labor laws.
- c. All debts incurred as a result of this contract were paid.
- d. Any further claims against the State of Idaho under this contract are relinquished, pending payment for services rendered.

11. HOLD HARMLESS

Contractor shall indemnify and hold harmless the State of Idaho from any and all liability, claims, damages, costs, expenses, and actions, including reasonable attorney fees, caused by or that arise from the negligent or wrongful acts or omissions of the Contractor, its employees, agents, or subcontractors under this contract that cause death or injury or damage to property or arising out of a failure to comply with any state or federal statute, law, regulation or act.

12. OFFICIALS, AGENTS AND EMPLOYEES OF THE STATE NOT PERSONALLY LIABLE

In no event shall any official, officer, employee or agent of the State of Idaho be in any way personally liable or responsible for any covenant or agreement herein contained whether expressed or implied, nor for any statement, representation or warranty made herein or in any connection with this contract. This section shall not apply to any remedies in law or at equity against any person or entity that exist by reason of fraud, misrepresentation or outside the terms of this contract.

13. RISK OF LOSS

Risk of loss and responsibility and liability for loss or damage will remain with Contractor until final inspection and acceptance when responsibility will pass to the State except as to latent defects, fraud and Contractor's warranty obligations. Such loss, injury or destruction shall not release the Contractor from any obligation under this Contract.

14. ASSIGNMENTS

The Contractor shall not assign a right or delegate a duty under this contract without the prior written consent of the State.

15. PROHIBITED CONTRACTS

No member of the legislature or officer or employee of any branch of the state government shall directly himself, or by any other person execute, hold or enjoy, in whole or in part, any contract or agreement made or entered into by or on behalf of the state of Idaho, if made by, through or on behalf of the department in which he is an officer or employee or if made by, through or on behalf of any other department unless the same are made after competitive bids. (Idaho Code Section 67-5726(1)).

16. GOVERNMENT REGULATIONS

The Contractor shall abide by and comply with all laws and regulations of the United States, the State of Idaho, counties or other governmental jurisdictions wherein the work is executed insofar as they affect this contract. The Contractor will make all payments, contributions, remittances, and all reports and statements required under said laws.

17. SAFETY INFORMATION

- a. The Contractor assumes full responsibility for the safety of his employees, equipment and supplies.
- b. Contractor guarantees that all items provided by Contractor in performance of this contract meet or exceed those requirements and guidelines established by the Occupational Safety and Health Act, Consumer Product Safety Council, Environmental Protection Agency, or other regulatory agencies.

18. USE OF THE STATE OF IDAHO NAME

Contractor agrees that it will not, prior to, in the course of, or after performance under this contract, use the State's name in any advertising or promotional media as a customer or client of Contractor without the prior written consent of the State.

19. CONTRACT TERMINATION

- a. The State may terminate this contract, in whole or part, by written notice delivered to either the Contractor or his representative in any one of the following circumstances.
  - (1) Failure of the Contractor to perform any of the provisions of this contract.
  - (2) Failure of the Contractor to correct unsatisfactory performance or work within five (5) days after it has been brought to his attention.
  - (3) Failure of the Contractor to make satisfactory progress in order to be able to complete the work within the contract period.
  - (4) The State may terminate this contract at any time for the convenience of the State upon ten (10) calendar days' written notice specifying the date of termination.
- b. Upon termination, the Contractor shall:
  - (1) Promptly discontinue performing under the contract, unless the termination notice directs otherwise.
  - (2) Promptly return to the State control of the properties and any personal property provided by the State pursuant to the contract.
  - (3) If requested by the State, deliver or otherwise make available to the State all data, reports, estimates, summaries and such other information and materials as may have been accumulated by Contractor in performing duties under the contract, whether completed or in process.
- c. Upon termination, the obligations and liabilities of the parties shall cease, except that the obligations or liabilities incurred prior to the termination date shall be honored. This paragraph shall not be interpreted to place any requirement on the State to accept or make payment to the Contractor for any unfinished, unusable, or otherwise unsatisfactory work.
- d. If the State terminates the contract, the State may take over the work and may award another party a contract to complete the work as stated by this contract.
- e. In the event of termination, the State shall pay all sums still due Contractor through the effective date of termination in full within thirty (30) days of a written demand and receipt of all items necessary from Contractor to allow the State to make payment.



20. CONTRACTOR QUALIFICATIONS

As specified in the Scope of Work of this document.

21. NOTICE TO PROCEED CONFERENCE

The Contractor must attend the Notice to Proceed [NTP] conference upon award.

22. CONTRACT ADMINISTRATION

- a. The Contract Supervisor will administer the contract as required in all specifications.
- b. Disputes between the Contract Supervisor and the Contractor will be resolved by the State.
- c. The Contract Supervisor has the following authority in addition to that delegated to him in other portions of this contract.
  - (1) Decide questions of fact arising in regard to the quality and acceptability of materials furnished and all work performed.
  - (2) Make recommendations for payment.

23. PAYMENT

Payment will be made upon receipt of the Contractor's itemized invoice and Contract Supervisor signature approval for satisfactorily completed work. Total payments under this contract will not exceed \$1,500 as indicated on the Schedule A form submitted by the Contractor.

It is understood that full payment for all services provided under the contract is fully burdened to include, but is not limited to, all Contractor's costs of labor, materials, equipment, deliverables, transportation and travel-related expenses including lodging and per diem, operating and administrative costs including advertising, postage, copy costs, and all other costs normally associated with the cost of doing business unless otherwise provided elsewhere in this contract.

24. CONTRACT TERM

This contract will become effective once signed by all parties. The Contractor and Contract Supervisor will discuss the contract terms, work performance requirements, and tentative work schedule at the mandatory Notice to Proceed conference. The contract will terminate December 31, 2009, unless terminated earlier by the State under any of the provisions of paragraph 19.a of this contract. All requirements of the contract must be satisfactorily completed by the contract termination date.

25. APPROPRIATION BY LEGISLATURE REQUIRED

It is understood and agreed that the Department of Lands, State of Idaho, is a government entity and this contract shall in no way or manner be construed so as to bind or obligate the State of Idaho beyond the term of any particular appropriation of funds by the State Legislature or the Congress of the United States as may from time to time exist. In the event the Idaho Legislature or the Congress fails, neglects or refuses to appropriate such funds as may be required for the State of Idaho to continue payments, this contract shall be automatically terminated and at an end, and all future rights and liabilities of the parties hereto shall thereupon cease within ten (10) days after written notice to the Contractor.

26. FORCE MAJEURE

Neither party shall be liable or deemed to be in default for any Force Majeure delay in shipment or performance occasioned by unforeseeable causes beyond the control and without the fault or negligence of the parties, including, but not restricted to, acts of God or the public enemy, fires, floods, epidemics, quarantine, restrictions, strikes, freight embargoes, unusually severe weather, provided that in all cases the Contractor shall notify the State promptly in writing of any cause for delay and the State concurs that the delay was beyond the control and without the fault or negligence of the Contractor. If reasonably possible, the Contractor shall make every reasonable effort to complete performance as soon as possible.

27. GOVERNING LAW

This contract shall be construed in accordance with, and governed by the laws of the State of Idaho.

28. ENTIRE AGREEMENT

This contract, with the State's Invitation to Bid, Request for Proposal, or Request for Quotation, including any addenda (such deemed incorporated by reference) and the vendor's response, to the extent it is not in conflict with the specifications or the States terms and conditions (such document deemed incorporated by reference), constitute the entire agreement between the parties with respect to the subject matter hereof and shall supersede all previous bids, proposals, or quotations, both oral and written, discussions, representations, commitments, and all other communications between the parties. Where terms and conditions specified in the State's documents or the Contractor's response differ from those specifically stated in this contract, the terms and conditions of this contract shall apply.

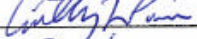
29. MODIFICATION

This contract may not be released, discharged, changed or modified except by an instrument in writing signed by a duly authorized representative of each of the parties.

IN WITNESS WHEREOF, the parties have caused this contract to be executed


effective this 12<sup>th</sup> day of November, 2009, in Boise, Idaho.

IDAHO DEPARTMENT OF LANDS

By   
Title Purchasing Agent

CONTRACTOR

GEM VALLEY APPRAISAL

By   
Title CGA, MAI  
82-0425947  
Taxpayer ID Number

## 10-116 SCOPE OF WORK

### APPRAISAL – WEIPPE LAND SALE

**CONTRACT SUPERVISOR:** Perry Whittaker, Strategic Business Analyst 334-0233

#### I. APPRAISAL STANDARDS

The appraisal must conform to the *Uniform Standards of Professional Appraisal Practice*, (USPAP), adopted by the Appraisal Standards Board of the Appraisal Foundation.

#### II. TYPE OF REPORT

A narrative Summary Appraisal Report form as described in USPAP.

#### III. PURPOSE OF APPRAISAL

The purpose of this appraisal is to determine a market value estimate for state property being considered for land sale. The Idaho Department of Lands (IDL) and the resulting high bidder at auction will be identified as “*intended users*” of the appraisal report.

#### IV. PARCEL TO BE APPRAISED

This appraisal will establish a market value estimate for a state owned parcel of State Hospital South endowment property described as the NW¼NE¼ Section 36, Township 35 North, Range 4 East, Boise Meridian lying in Clearwater County, Idaho, consisting of 40.00 acres more or less.

A map of the property is included as Attachment 1.

#### V. RIGHTS TO BE APPRAISED

The appraiser shall determine market value for the property based on the highest and best use. The land will be valued as fee simple including surface and subsurface mineral rights subject to outstanding rights and reservations of record. The mineral rights will only be included in the event the potential highest and best use for the property is determined to be for development purposes for residential, commercial or industrial purposes as per Idaho Code 47-711.

IDL will provide a State of Idaho Certificate of Title describing the title status to the property. The property will be appraised with the **hypothetical condition** that it has legal access. IDL will provide timber cruise information along with delivered log prices, and estimated logging costs for use by the appraiser in developing an opinion of market value for the property, i.e. land and timber.

## **VI. DEFINITION OF VALUE TO BE SOUGHT**

**Market Value** means "The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

The above definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC).

## **VII. DATE OF VALUE ESTIMATE**

The appraisal shall report a separate date of inspection, and the date of valuation or date of the report, as provided in the current addition of USPAP. The date of value estimate is the date at which the analysis, opinions and advice apply.

## **VIII. SCOPE OF WORK; DESCRIPTION OF SERVICES; AND DATA TO BE PROVIDED**

1. The appraiser shall make a detailed field inspection of the property and shall make such investigations and studies as are appropriate and necessary to enable the appraiser to derive sound conclusions and to prepare a market value estimate in Summary Appraisal Report format to be furnished under this agreement. The appraiser shall personally inspect the subject and comparable sale properties, perform the analyses and prepare the conclusions in the report, and personally confirm (or re-confirm) the sales.
2. Upon completion of the property inspections, investigations and studies, the appraiser shall prepare and furnish an ELECTRONIC copy of the DRAFT report to the IDL for review. Once the draft report has been approved by IDL the appraiser shall prepare and furnish (2) bound copies of the final appraisal report to IDL along with an electronic copy to facilitate the need for additional copies. The report shall, in form and substance, conform to recognized appraisal principles and practices applicable to determine value; shall present adequate and factual data to support rates and amounts used in the appraisal report; and shall describe the appraiser's conclusions regarding those facts. The final report(s) should be delivered to Perry Whittaker 300 North 6<sup>th</sup> St., Suite 103, P.O. Box 83720, Boise, ID 83720-0050 on behalf of IDL.